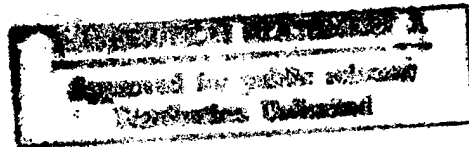


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# China Report

AGRICULTURE

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2 May 1985

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### AGRICULTURE

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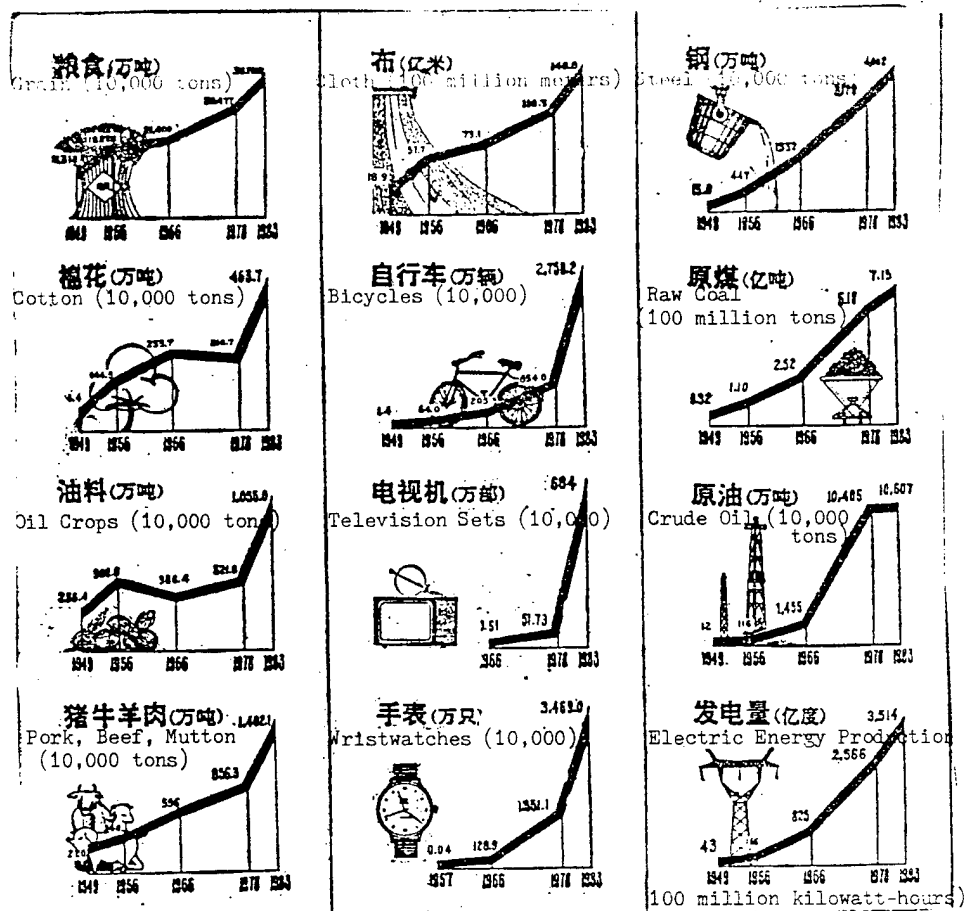
NATIONAL

# LARGE INCREASE IN AGRICULTURAL OUTPUT

Beijing ZHONGGUO NONGMIN BAO in Chinese 4 Sep 84 p 2

[Article: "Large Increase in Output of Industrial and Agricultural Products--  
Two Charts of the Great Accomplishments in the 35 Years of the PRC"]

[Text]



Changes in Rankings for Output of China's Major Industrial and Agricultural Products Among the Nations of the World

	Rank			Rank			Rank	
Grain	1949	2	Steel	1949	26	Crude Oil	1950	27
	1983	1		1983	4		1983	7
Electric								
Cotton	1949	4	Coal	1949	9	Energy Production	1949	25
	1983	1		1983	3		1983	6

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CSO: 4007/47



NATIONAL

HU YAOBANG SAYS NO RURAL POLICY CHANGE

OW310850 Beijing XINHUA in English 0833 GMT 31 Mar 85

[Text] Beijing, March 31 (XINHUA)--Chinese Communist Party Leader Hu Yaobang has told National People's Congress deputies that China's current rural policy would not change.

The Party Central Committee general secretary said this while exchanging views with a group of deputies before the current NPC session opened last Wednesday.

A deputy from Heilongjiang Province, Northeast China, told him that peasants in his village hoped that the current rural policy which had benefited them would not change.

Hu Yaobang said, "I don't see why the policy should change if people are happy about it. Please tell the folks there the policy will not change."

He further suggested that Heilongjiang Province, one of China's major livestock breeding centers, expand the dairy industry to meet people's growing needs.

Now that there was an abundance of grain, efforts should be made for its multiple utilization to satisfy varied needs, Hu said.

Turning to financial matters, he said that loans should be controlled. Bank loans to urban service trades and rural enterprises must not go up too rapidly, he added.

Loans should be issued according to state plans because too high a rise in credit would bring lots of problems, the party leader warned.

China was still short of energy and raw materials and its transport capacity remained strained, he said. Therefore, he added, it was important to speed up the development of the power, petroleum, metallurgical and machine-building industries.

Hu Yaobang said that China's economy was in excellent shape generally. "There will be still bigger progress this year if all of us do a good job," he said.

CSO: 4020/183

NATIONAL

BAN YUE TAN REVIEWS AGRICULTURAL DEVELOPMENTS

OW110911 Beijing XINHUA in English 0754 GMT 11 Mar 85

[Text] Beijing, March 11 (XINHUA)--China's 800 million peasants have pioneered a new road for agricultural development which bears distinctive Chinese characteristics, says an article in the latest issue of the journal, "FORTNIGHTLY CHAT."

The article describes the new road as "a reliable guarantee for pushing China's agricultural production forward."

The article lists the following characteristics:

- the co-existence of different forms of production--the state sector is carried on side by side with different forms of cooperative and individual farming;
- diversified forms of management--the leading form is the contract responsibility system based on households or groups, with remuneration linked to output;
- the comprehensive development of farming, forestry, animal husbandry, sideline occupations and fisheries;
- the transformation of the nationwide system of planned and compulsory purchasing to contract or market purchasing;
- development of the household specialization system;
- the building of small towns in rural areas as bases for developing the rural economy, culture, science and education, and--
- the concentration of the technical and labor forces to supplant the traditional subsistence techniques.

CSO: 4020/183

NATIONAL

# FIRST SPRING FARMING AFTER AGRICULTURAL REFORM

OW041147 Beijing XINHUA Domestic Service in Chinese 1148 GMT 3 Apr 85

[Excerpts] Beijing, 3 Apr (XINHUA)--"Readjustment is designed to gear production to market demand." Under this situation, the first spring farming is being unfolded across the country since the all-round readjustment of agricultural production in China's countryside began.

A prominent characteristic in this year's spring farming in China is the relatively larger readjustments in the planting industry in rural areas. Under the guidance of the principle of not relaxing grain production, the country's total grain acreage has been properly reduced this year. There is a trend of fairly big growth for such economic crops as rapeseed, peanuts, melons, gourds, sugarcane, beets, and bast fibers, except cotton, whose acreage has been reduced. This year measures have been taken to restore forestry, animal husbandry, and fish breeding in some low-lying areas, some low-yield farms, and slopes which have done very poorly in grain cultivation. In Jiangxi, Hunan, and Guangdong Provinces 2.3 million mu of low-yield farms have been turned into fish ponds. China's agriculture is advancing toward a rationalized structure under the guidance of the principle "good land for planting industry, low-lying land for fish breeding, slopes for afforestation, and reclaimed land for livestock breeding."

Another prominent characteristic of the spring farming is the readjustment of agricultural production in accordance with the law of economics and the market demand. Many peasants in the suburban areas of large and medium-sized cities have geared their production of meat, milk, eggs, poultry, fish, fruits, vegetables, and flowers and plants to the demands of urban markets in order to increase the supply of these eight perishables to the markets. In the planting sector, people no longer go after the goal of purely high output. Instead, they are turning to fine quality and high value. This year the sown acreage of corn in northern and eastern China will be properly reduced to give way to early rice, mung beans, and millet. In Heilongjiang and Hebei Provinces and Tianjin municipality, plans have been made to increase the acreage of early rice by 50 percent this year. In the rice-growing areas of southern China, the acreage of highland non-glutinous rice, which has been overstocked due to poor sales, will be further cut this year, while that of ordinary nonglutinous rice, which has failed to meet demand, will be expanded. In Jiangsu Province plans have

been made to expand the cultivation of ordinary nonglutinous rice to 4 million mu.

The spring equinox is over, and the tomb-sweeping day is drawing near. The masses of peasants are stepping up planting of spring crops while strengthening field management of overwintering crops by watering and fertilizing their crops, by cultivating the soil, and by combating insect pests and plant diseases in order to ensure a bumper harvest of grain and oil-bearing crops this summer.

CSO: .4007/294

NATIONAL

# RURAL REFORMS CHANGE RURAL ECONOMIC PATTERN

OW271145 Beijing XINHUA in English 1101 GMT 27 Mar 85

[Text] Beijing, March 27 (XINHUA)--Successful rural reforms have steered China's agricultural onto the tract of specialization, commercialization and modernization, says today's "ECONOMIC DAILY."

The 800 million peasants are no longer producing according to output quotas imposed from above. Instead, they are beginning to produce according to market demand, the paper says.

Total agricultural output value last year amounted to 361.2 billion yuan--14.5 percent more than in 1983. The peasants' average annual income rose to 355.3 yuan, 14.7 percent more than in the previous year. The commodity rate of agricultural produce reached 53.3 percent.

Following the policy of developing a diversified economy while not slackening grain production, peasants expanded areas on which economic crops are grown by one third between 1978 and last year. These crops include cotton, hemp and rape seed.

Meanwhile, the production of coarse food grain, such as maize, sorghum and millet, is being reduced in favor of wheat and rice.

The output value of forestry, animal husbandry, sideline production and fisheries accounted for forty percent of the total agricultural value.

The output of pigs, beef and mutton increased last year by 8.8 percent over 1983. And the output value of aquatic breeding accounted for 40 percent of the total output of the aquatic products industry.

China's rural industrial enterprises last year turned out 150 billion yuan worth of products--23 percent more than in 1983--and more peasants opened businesses in towns and cities and ran joint enterprises with urban factories, which helped to develop a new relationship between town and country.

There have appeared many joint-stock cooperative enterprises in China's rural areas, the paper says. Peasants become shareholders by investing their funds, labor and techniques and receive dividends as well as their regular pay.

NATIONAL

# HUNGARY IMPLEMENTS AGRICULTURAL REFORM

Beijing NONGCUN GONGZUO TONGXUN [RURAL WORK NEWSLETTER] in Chinese No 8,  
5 Aug 84 p 2

[Article by Zhang Li [1728 0536]: "Hungarian Agricultural Reform Experience Cited"]

[Text] Before World War II Hungary was known as a poor country with 3 million beggars. As a result of blindly copying foreign models during the postwar years, its economy went from bad to worse. However, since the 1960's that country's successful agricultural reforms have attracted worldwide attention. Despite reduction of the farm work force by half and land by one-fifth, grain output has doubled while the gross value of agricultural output quadrupled. The per unit area yield of wheat and beetroot, the survival and growth rates of pigs and cattle, and the per capita yield of milk cows have all attained advanced world levels, with over 30 percent of its agricultural products exported annually. In 1982, the people of that country each had 2,754 jin of food, being first in Eastern Europe and third in the world. The general standard of living has reached the levels of moderately developed countries. Compared with some countries, Hungary is known as a consumer's paradise, although on the map of Eastern Europe it is not prominent at all. In agriculture and livestock breeding, however, its remarkable successes are mainly due to the series of reforms advocated in its agricultural policies.

1. Eliminate by stages command-style planning imposed on agriculture, replacing it with a system of regulating farming mainly by economic means and providing guidance to allow cooperatives and peasants to do things their own way. The abolition in 1957 of voluntary surrender of grain purchases was followed by the cancellation of command-style planning imposed on industrial enterprises. The promulgation in 1980 of the "Planning Act" was aimed in particular at directing state plans toward specific investment channels and at their proportional relationship with technological development and consumption levels. The competent authorities generally do not give instructions to cooperatives and only under special circumstances do they provide state farms with such instructions. However, if the instructions are found to be inappropriate and if they bring about losses, the relevant department is liable for compensation. Moreover, the systematic abolition of state monopolies in tobacco, liquor and sugar tends to encourage market competition and stimulate the development of commodity production.

2. State farms, agricultural cooperatives and small economic projects are integrated for coordinated development, to give full play to the functions of machinery and advanced technology by combining and professionally coordinating agricultural enterprises. There are already "integrated economic cooperation," "agricultural-industrial combines," "joint agricultural enterprises," "industrialized production systems" and other farms. Over 90 percent of cooperatives and farms have participated in "industrialized production systems," thus vigorously promoting the socialization of production as well as production for the market. The state encourages cooperatives to engage in assorted sideline occupations and to make the most of the small peasant economy by leasing to individuals land unsuitable for large-scale farming. It also helps small producers in matters relating to taxes, loans, prices, government subsidies and other aspects. Through state farms and cooperatives, the state provides the small peasant economy and small producers with pertinent production data, supply and marketing services as well as advanced techniques. Small producers are mainly organized in the following ways: First, contracting with agricultural and small economic projects for the purchase and sale of agricultural products. Second, partial integration. This means state farms and agricultural cooperatives provide small economic undertakings with services before, during and after production. Third, total integration. This means the materials for fattening livestock supplied to small economic units are usually owned by integrated agricultural enterprises. Since small producers are only peasant households attached to publicly owned economic enterprises for the sole purpose of producing a single category of products, they are considered components of state farms and agricultural cooperatives. About half of the country's population is engaged in small-scale agricultural production on 10 percent of the land, contributing just one-third of the gross national output. The state takes appropriate measures to regulate and supervise these small-scale economic projects, such as restricting employee exploitation and adopting an income tax system on a graduated scale, etc.

3. The state continues to increase agricultural investment and introduces preferences in the matter of fixing prices, granting credit loans and providing financial subsidies. Hungary's current investments in agriculture have quadrupled over those made 20 years ago. Farming, transportation and storage have been mechanized. The agrotechnical forces working in the fields continue to grow. Ten years ago there was only 1 college student per 1,000 hectares, but now it is 1 per 380 hectares, one-third of the farm workers and peasants being trained technicians. The state has invested hundreds of billions florins in the food-processing industry, with agriculture as the base, so that its output value accounts for 10 percent of the gross value of industrial and agricultural output. Hungary is getting 20 percent of its foreign currency revenue from food exports. As a result, subsidies to agriculture are exceeding revenues. The extent and magnitude of such subsidies are appropriately adjusted every year according to changing circumstances.

4. In order to cope with the new situation, the administrative structure is improved. In recent years, Hungary's agriculture has entered a new stage of integrating with the food-processing industry to achieve an "integration of agriculture with industry." The Ministry of Agriculture and the Ministry of

Food Industry have been merged as the Ministry of Agriculture and Food Industry, with national centers set up at subordinate levels to oversee food cooperations and state farms and to supervise the operation of industrial enterprises and farms. At the same time the National Council of Agricultural Producer Cooperatives and regional leagues of agricultural producer cooperatives have been set up, though they are not functionally or organizationally related to grassroot agricultural producer cooperatives. Their recommendations and views are only for the reference of cooperatives. With the functions of each segment clearly defined, this system of organization and structuring at each decisionmaking level thus enables enterprises themselves to make their own decisions. Only when snags occur in the course of carrying out economic activities and if such problems cannot be resolved by economic and political means will necessary administrative actions be taken.

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CSO: 4007/1



NATIONAL

LIAOWANG COMMENTATOR LAUDS POLICIES FOR RURAL REFORM

HK100910 Beijing LIAOWANG in Chinese No 13, 1 Apr 85 page not given

[LIAOWANG commentator's article: "Rural Reform Enters a New Stage"]

[Text] The "Ten Policies of the CPC Central Committee and the State Council on Further Enlivening the Rural Economy" have been made known to the public. This is another "Document No 1" to push forward rural reform!

Beginning in 1982, Document No 1 of the CPC Central Committee each year has concerned rural work. And every Document No 1 has won the heartfelt welcome of millions upon millions of peasants, pushing forward the vigorous progress of rural reform with the momentum of a surging tide.

The central authorities have attached great importance to rural reform. They have linked Marxist tenets closely with the actual conditions in China's rural areas and accurately grasped the characteristics and main contradictions in every stage of the development in the rural situation. Every Document No 1 has taken shape in this way, and has naturally played a tremendous role in pushing forward the situation in the rural areas and has naturally won the support of the peasants. Directed at the new situation of the current rural reform, the 1985 Central Document No 1 has suggested a new task for reform which is of great significance, namely, to further reform the managerial system in the rural economy.

Perhaps we can put it this way: Reform with the establishment of the production responsibility system in the rural areas as the focus beginning with the 3d Plenary Session of the 11th CPC Central Committee was the first stage of rural reform. From now on, the further reform of the managerial system in the rural economy and rationalizing the product mix in the rural areas will begin the second stage of rural reform.

The first-stage rural reform has efficiently broken the malpractices of "eating from the same big pot" and "a big tumult," which had been injurious to the collective economy in the rural areas for many years. It has brought into play the enthusiasm for labor of millions upon millions of peasants, infused new vitality into China's agriculture, which had been stagnant for many years, and made it develop rapidly.

The universal implementation of the production responsibility system in the rural areas has opened channels of production for the peasants, paved the way for developing commodity production, and pushed forward the change from the semi-self-sufficient natural economy to a commodity economy in China's rural areas. This is an important characteristic of China's rural situation today. At present such a transformation has met with interference from many irrational factors in the original economic system, and the further development of the productive forces has been checked. The development of commodity production in the rural areas demands the reform of the existing circulation and price systems and the system of state monopoly purchase and unified purchase based on fixed quotas, which have been in practice for many years. It demands reform of the irrational economy system, the extension of market regulation under the guidance of the national plan, further relaxation of policies, and the development of varied commodity production in a still more extensive scope. In short, the existing managerial system in the rural economy is not harmonious with the new situation in the rural areas. Hence the need for reform. The first-stage reform in the rural areas pushed forward the development of rural production, resulting in the transformation to commodity production, while the further development of commodity production urgently demands the further reform of the managerial system of the economy. This is the question facing China's rural areas today.

The 1985 "Document No 1" has been made public at this critical moment, and it has promptly pointed out the direction of the continuous advance in the rural areas. Thus, the reform of China's rural economy today will be pushed forward to a new stage of development. People can not but cheer over its publication.

Reform of the managerial system of the rural economy is an important one which involves wider scope and the solution of far more complicated contradictions than setting up the production responsibility system. First, the system of state monopoly purchase and unified purchases based on fixed quotas and the purchase price system will be reformed. The system of state monopoly purchase and unified purchase based on fixed quotas has been implemented in China for many years, and played a positive role in ensuring supplies and supporting national construction. However, the rural situation today has changed, and continuing the implementation of this system will check the development of the productive forces. Only by reforming this system will it be possible to extend the function of market regulation, to promote the rationalization of the agricultural product mix, and to further enliven the rural economy. In carrying out reform of this system, it is also necessary to make it suit the demands of the developing commodity economy, to relax financial policies in the rural areas and the policies on hills and forests, and to give a free hand to mobilizing the peasants to engage in mining, transport, industry and commerce, diversified management and other undertakings of a developing nature. At the same time it is necessary to promote the transfer and flow of qualified people and technology and to further expand the economic ties and cooperation between the urban and rural areas, and to develop small cities and towns.

The current reform in the rural areas is profound and rich in essence. When market regulation is extended and the economy is further enlivened, the leadership of the state in agricultural management will change from chiefly relying on administrative means in the past to chiefly relying on the regulation by economy means. In the past, peasants used to arrange their production based on the national plan; now they will do it according to market needs. This is a great and profound change, and the entire rural population is facing the arduous task of restudying in order to suit themselves to this reform, whether they are rural cadres or peasants.

At present there exist many favorable conditions for the current reform, the political as well as the economic situation in the rural areas is fine, while the reform of the economic structure in the cities will also be unfolded in an all-round way. All this will greatly push forward reform in the rural areas. It is expected that when the 10 policies concerning the rural areas are implemented, a new high tide in the rural economy will arrive. The 800 million Chinese peasants, who are diligent, wise, and rich in creativity, will once again shock the world with their splendid achievements. This is possible and credible.

CSO: 4007/294

NATIONAL

XINHUA COMMENTATOR ON AGRICULTURE MONOPOLY REFORM

OW290605 Beijing XINHUA Domestic Service in Chinese 0826 GMT 26 Mar 85

[XINHUA commentator: "State Commerce Should Actively Take Part in Market Regulation"]

[Excerpts] Beijing, 26 Mar (XINHUA)--The reform of the state monopoly system to purchase and market agricultural produce will bring about an end to the long state monopoly of transactions under a closed circulation system and replace it with an open system operated jointly by the state, the collectives, and individuals. The new situation demands state commerce to change drastically its past practice of relying mainly on administrative measures to regulate the market and throw itself into the competition with many commercial channels. It demands that state commerce actively take part in the market regulation of agricultural product to protect the interests of both consumers and producers.

Many people still have not changed their thinking and still have some misunderstanding and misgivings on this issue. They need to understand the issue more clearly.

Some people pointed out that state commerce had been able to operate without problems even though it did not take part in market regulation. Those comrades failed to understand that after the reform of the state monopoly system to purchase and market principal agricultural produce and sideline products, the state monopoly will be broken and the past practice of planned regulation, which relies entirely on state allocation and distribution, will become increasingly difficult to enforce. In the multichannel commercial operation, whoever operates well and serves the producers and consumers better will have the initiative in his hands. As a commodity operator and farm produce market organizer, state commerce should naturally actively compete in the market and actively regulate the farm produce market by making full use of its strong advantages and by consciously using the law of value.

Representing the interests of the people and the state, state commerce should support production and control supplies by every possible means. It should use various economic levers to regulate commodity flow successfully, enrich market supply, stabilize the market price, and ensure a healthy development of our socialist market.

Some people worry that the expansion of the market regulatory role and the enforcement of multichannel commercial operation will weaken the state commerce's role as the principal channel of commercial operation. Judging from the result of the reform instituted in Guangzhou city, such worry is uncalled for. In 1979, Guangzhou city gradually began to relax its procurement and marketing policy on agricultural produce and sideline products. However, the role of its state commercial departments as the principal channel of commercial operation has strengthened instead of being weakened as a result.

Therefore, after the reform of the system of state monopoly of agricultural produce and sideline products, state commerce should make full use of its advantages, such as its abundant funds, better facilities, adequate manpower, quick access to information, ideal locations, and rich operation and management experience, and actively take part in market regulation to display its role as the principal channel in the multichannel commercial operation.

CSO: 4007/294

NATIONAL

# REFORMS IN LARGE, MEDIUM-SIZED IRRIGATION DISTRICTS DISCUSSED

Huhan MONGTIAM SHUILI YU XIAOSHUIDIAN [IRRIGATION AND DRAINAGE AND SMALL HYDRO-POWER STATIONS] in Chinese No 1, Jan 85 p 5

[Article: "The Ministry of Water Conservancy and Electric Power Convenes a Meeting To Study Problems in Reforms in Large and Medium-Sized Irrigation Districts"]

[Text] The Farmland Water Conservancy Department of the Ministry of Water Conservancy and Electric Power convened a Conference on Irrigation Management Work in Southern Regions in Sichuan's Dujiangyan irrigation district in September 1984. The conference studied the instructions and documents of the CPC Central Committee and the Ministry of Water Conservancy and Electric Power related to reforms in water conservancy. They summarized realities, liberated their thinking and studied and discussed ways of speeding up the pace of reform in large and medium-sized irrigation districts and questions of how to gradually change them to enterprises and achieve socialization. Moreover, they drafted "Opinions on Reforms in Economic Management Systems in State-Managed Irrigation Districts."

The discussions noted that China now has more than 5,600 large and medium-sized irrigation districts that irrigate an area greater than 10,000 mu each, and that the total effective irrigated area was 308 million mu, equal to 42 percent of the country's total irrigated area. Most of these irrigation districts are located in densely populated, economically-developed high farm output regions. Managing and using these irrigation districts well will play a major role in guaranteeing continued growth in agricultural production and smooth progress in the four modernizations and construction. Some irrigation districts, however, have stagnated at a low level of administrative management and single management for a long period. Mismatched projects, slipshod management and the failure to collect water fees or fees that are too low, and the passing of long-term dependence on state subsidies have seriously obstructed obtaining the maximum economic results in the irrigation districts. This situation must change quickly since there is no way out without reforms. The conference felt that the direction of attack should be a complete solution to the problems of "drinking and eating out of the big pot," so that irrigation districts gradually become enterprises and develop toward socialization.

According to experiences in some advanced irrigation districts, the focus of the current reforms is to extend economic responsibility systems in irrigation districts, expand the decision-making rights of the irrigation districts and turn the districts into economic entities that practice independent accounting and responsibility for profits and losses. The system of lifetime cadre appointments should be changed to one of selection (or recruitment), and fixed labor should be changed to a contract labor system. Multilayer and diversified systems of contractual responsibility can be implemented within the irrigation districts so that the economic income of each employee can be closely linked with the economic results of the irrigation district and with the labor results of individuals. We must strive to achieve the socialist principles of remuneration according to labor and more pay for more work.

As for the sources of administrative expenditures in irrigation districts, one method is reliance on rational readjustments in water fee standards, while another is to make full use of own advantages, open up outlets and actively develop the diversified economy. Some advanced irrigation districts at the conference introduced their experience in appropriate readjustment of water fees and major efforts at comprehensive administration that turned the districts rapidly from losses to profits. Some representatives said that "Single administration in the past felt that tasks were completed merely if the project and water use were managed well. They feared 'sideline industries' and misunderstood 'regular duties.' They now understand that becoming involved in economic diversification is their regular duty. Without good economic diversification, projects would have no funds for repairs and employees would have no welfare funds. Without active mobilization, good irrigation management is impossible." As for standards of administrative self-sufficiency, the conference agreed with opinions issued by the ministry that they can proceed in three steps. The first step is to lower standards, including wages of management personnel, operating expenses and normal repair costs. The second step is to achieve true self-sufficiency, including administrative expenses for major repairs and depreciation and for updating and transformation to achieve simple sustained reproduction. The third step should involve a certain amount of capital used for expanded reproduction. They proposed that each irrigation district formulate plans for a series of steps to achieve self-sufficiency based on actual conditions. As for those irrigation districts that are unable to achieve self-sufficiency at the present time, they proposed measures for fixed subsidies and gradual self-sufficiency within time limits.

Moreover, the conference also discussed such questions as how to strengthen scientific and technical research, experimentation and extension work, employee training and other such questions in irrigation districts.

12539

CSO: 4007/246

NATIONAL

#### FORESTRY MINISTER REVIEWS 1984 ACHIEVEMENTS

OW180213 Beijing XINHUA Domestic Service in Chinese 1247 GMT 11 Mar 85

[Excerpts] Zhengzhou, 11 Mar (XINHUA)--In his speech to the Fourth Plenary Session of the Central Greening Committee, Yang Zhong, vice chairman of the committee and minister of forestry, said that the national voluntary tree-planting campaign and all greening work developed vigorously both in scope and depth last year.

He summed up last year's greening achievements in the following five aspects:

1. Forestry policy was readjusted and perfected, and the enthusiasm of the people in urban and rural areas was mobilized. The area of privately owned plots in hilly areas increased from 250 million to 400 million mu. The number of households specializing in forestry increased from 1 million to 4 million. The survival rate of trees planted rose everywhere.
2. The visions of greening work were expanded. In the past we did not pay adequate attention to the organic combination of trees, shrubs, grasses, and flowers in line with local conditions. Now, new changes have taken place with regard to this situation. Nationally, the area of fuel forests increased 16.5 percent over the previous year. Last year we seeded 27 million mu of forage grass, an increase of 7 million mu over the previous year. The task of returning farmland to forestry on steep, mountainous slopeland was also accelerated.
3. Large and medium-sized cities universally accelerated the pace of afforestation.
4. New progress was made in the construction of forest bases and projects. The first phase of the "three-north" shelterbelt project, which calls for planting 80 million mu of trees, is now 87.7 percent complete. Projects to develop protective belts along embankments and coasts and to afforest Taihang Shan and construct fast-growing, high-yield forest bases were also greatly accelerated.
5. The various departments strengthened afforestation work daily, and the PLA continued to march at the head of the national greening drive.



Tree-planting activities for youths and juveniles mobilized or organized by CYL organizations were increasingly larger in scale, more diversified, and reaped better results. Collieries across the nation planted 280,000 mu of trees last year, or 0.1 mu per capita. In addition to planting trees around airfields, the Civil Aviation Administration of China sent aircraft to seed 12 million mu of land aurally.

Comrade Yang Zhong emphasized that afforestation is a constructive undertaking, and we must exert ourselves and do solid work. We must pay special attention to implementing all plans, arrangements, and measures and do our best to complete several tasks every year. On the one hand, we must do a good job in planting trees and seeding grass; on the other hand, we must protect existing trees, grasslands, and vegetation and firmly check reckless felling of trees and encroachment upon greenlands.

CSO: 4007/294

NATIONAL

# FORESTRY MINISTRY MEASURES TO BRING PROSPERITY

OW061722 Beijing Domestic Service in Mandarin 2230 GMT 5 Apr 85

[Excerpts] This station reporter has learned from the Ministry of Forestry that after mandatory state purchase of timber in collective-run forest zones has been abolished to liberalize the timber market, the ministry has taken active measures to ensure the implementation of this policy of the party Central Committee and the State Council to boost forestry and bring prosperity to the people. These measures include:

1. Tightening control over tree felling and limiting the quantities of timber to be logged. Units and individuals engaged in timber operation should register with the administration for industry and commerce.
2. Departments in the forestry industry should keep up with the new situation characterized by multichannel operations after the timber market has been liberalized. They should become the primary channels in timber operation.
3. In selling timber, collectives and individuals in forest zones will pay taxes, forest cultivation funds, and other normal fees in accordance with the regulations. No other units or individuals are allowed to fleece forest farmers under any pretexts. Party and government organs or cadres who take advantage of the reform drive, willfully purchase forest farmers' timber at low prices, and resell the timber at a profit should be dealt with according to law.
4. Further perfecting the production responsibility system in forestry, and integrating the responsibilities, rights, and benefits of the producers, so as to mobilize the masses' enthusiasm for protecting forests and developing forestry.

CSO: 4007/294

NATIONAL

NONGMIN RIBAO ON CHANGES IN RURAL FAMILIES

OW200825 Beijing XINHUA in English 0635 GMT 20 Mar 85

[Text] Beijing, March 20 (XINHUA)--Economic reforms including the development of commodity production are changing family life throughout rural China, according to the "PEASANT DAILY" here.

The emergence of the market-oriented rural economy and households engaging in specialized production or services has meant the socialization of family functions, the paper reported.

New economic cooperatives in the countryside are now challenging the domination of labor groupings based on blood relationships. The newer form helps peasants overcome the limitations of working within their families, and brings their talents into full play, the paper said.

Armed with better education, this new generation of peasants will be more conscious of the need for family planning. Thus, the nuclear family will replace the traditional extended family in rural China in the years to come, it predicted.

The economic changes have also helped make peasant families more democratic. The break with patriarchalism has come because family members who have special management or production skills can now have more say in the conduct of the family's business.

Young people who formerly looked for material benefits when choosing a spouse now stress education, integrity and other less tangible factors, the "PEASANT DAILY" maintained.

The current reforms have also encouraged many female entrepreneurs. Women have become a growing economic force, particularly in households undertaking specialized production or services, where they can have an equal say in decision-making.

Rural lifestyles and consumer habits are beginning to shift from subsistence to comfort, from durable goods to fashionable ones, and from standard types to diversified varieties, the paper added.

CSO: 4020/183

NATIONAL

# WAYS TO DEVELOP RURAL COMMODITY ECONOMY DISCUSSED

Beijing NONGYE JISHU JINGJI [ECONOMICS FOR AGRICULTURAL TECHNOLOGY] in Chinese No 1 Jan 85 pp 1-6

[Article by Lu Wen [4151 2429] of the Chinese Rural Development Research Center: "Readjustment of Rural Industrial Structure Is a Principal Link to Current Development of Rural Commodity Economy"]

[Text] The level of rural economic development in our country is quite low at present. A basic task ahead of us is to bring about the development of the forces of production in the rural areas by developing a commodity economy. Socialism cannot be built on the foundation of the self-sufficient natural economy, it must have a material premise from the socialization of production brought about by a high degree of development of a commodity economy. Socialist economy is a developed commodity economy. Commodity exchange is the only form of economic contacts between the urban and rural areas. By developing a commodity economy, we can mobilize the people's enthusiasm for production and operations, spur the people to march forward unceasingly and vigorously in a competitive environment, promote the division of labor and trade in the rural areas, develop all sorts of industries and advance in magnitude and depth toward production; we can enhance the economic and cultural exchange between the urban and rural areas and among different places, raise the people's scientific and cultural level, improve economic results and increase accumulation in the rural areas. Developing commodity economy therefore is the fundamental way to develop the rural economy.

China's countryside was equipped with favorable conditions for developing a commodity economy after the land reform, however, due to "Leftist" mistakes and the people's commune system, the development of a commodity economy was restricted and the progress of rural development was retarded. In the last 5 years, as a result of the structural reform centered around the production responsibility system, the peasants' initiative and enthusiasm for production has been aroused, diversified undertakings developed, the varieties and quantity of rural products increased and commodity productivity improved, numerous peasants have left the farm to enter into the circulation sphere, thereby restoring and developing a commodity economy.

The rural economic structural reform is still continuing, however, thanks to the reform in the preceding period and the readjustment of the production structure, a new situation has emerged in the rural economy. On the one hand, the output-related system of contracted responsibility has been basically and universally practiced across the country and it needs to be further stabilized and perfected to continue the reform in other areas; but the rural industrial structure is still irrational and a new imbalance has appeared, some agricultural products are relatively in surplus, other products are in short supply. This requires us to unclog the channels of circulation and readjust the industrial structure.

The CPC Central Committee and the State Council have made numerous decisions for resolving the circulation question. With the circulation question being resolved step by step, the question of readjusting the industrial structure has gradually risen to an important position to become the principal link to developing the rural commodity economy at present.

#### The Significance of Readjusting the Rural Industrial Structure in Developing A Commodity Economy

China's rural economy has basically been a self-sufficient and semi-self-sufficient economy for a long time in which production for the most part is consumed by its produce and both production and exchange are quite simple. Once it got onto the orbit of a commodity economy, things become complicated. Commodities are produced for the sake of exchange and only through exchange can their value and use-value be materialized. To engage in exchange, first of all, exchangeable commodities must be available, which naturally will lead to a series of complicated exchanges. Marx said: "A product can be developed as a commodity only insofar as it increases in quantity and in variety consistent with other commodities of equal value." A certain ratio should be maintained among various kinds of products according to actual needs, otherwise, the surplus that cannot be sold will become waste products while a shortage cannot meet demand and cannot satisfy needs. Second, for commodities, various links from exchange to consumption should be mutually joined, any slight dislocation in the linkage will obstruct or break off the entire process. Therefore, the change from a self-sufficient and semi-self-sufficient economy to a commodity economy in our countryside must be based on the readjustment of the industrial structure.

China's countryside has many people but little arable land, although other resources are extremely abundant. Our average cultivated land per capita is just over 1 mu and it does not need that much labor to farm it. In the past, labor was concentrated to conceal the fact that there was a surplus labor force in the countryside, this fact has become increasingly evident after the output-related system of contracted responsibility was implemented. According to the correct estimates of numerous places, at present it only requires one-third of the labor force to fulfill the crop planting tasks and the remaining labor force can develop other production

by taking advantage of our rich resources. The putting into play of the peasants' initiative and enthusiasm for production has become the motive power for developing diversified undertakings. Most of the products of the rural diversified undertakings are commodities and the development of diversified undertakings in the countryside is synonymous with the development of a commodity economy. It is obvious that by readjusting the rural industrial structure, we can combine the labor force with more resources to open a vast vista for the development of a commodity economy.

While implementing the economic structural reform, our countryside has readjusted the production structure, the focal point being to change the tendency of placing lopsided and particular emphasis on grain development in order to implement the policy of "sparing no effort in promoting grain production and actively developing diversified undertakings." Certain achievements have been made through readjustment over several years. A comparison between 1983 and 1978 shows that while grain acreage decreased 5.4 percent, grain output increased 27 percent; the proportion of industrial and other nongrain crops in agriculture rose from 23.3 to 29.4 percent; the proportion of crops in total agricultural output value dropped from 67.7 percent to 62.1 percent, forestry rose from 3 to 4 percent, animal husbandry rose from 13.2 to 17.4 percent, fishery increased from 1.4 to 1.7 percent, team-run industry and sideline occupations increased from 14.6 to 17.4 percent and the total income of township enterprises increased 115.5 percent.

In spite of the above-mentioned achievements made as a result of the readjustment in the preceding period, there has been a state of unevenness in development. Conspicuous was that processing, transformation, stock reserve, marketing and other work temporarily could not keep up with the rapid development of grain and cotton in recent years, thus bringing forth tremendous pressure on the state and the peasants. The varieties of some of the grain and industrial crops were unsuitable and of poor quality; the development of animal husbandry and fishery was slow, the number of live hogs was even on the decrease, the annual consumption of meat and fish per capita averaged 25 jin and 9 jin, respectively; vegetable products in the people's food accounted for 93.9 percent; the forest-cover rate amounted to only 12.7 percent, excessive felling was still fairly serious and there was a critical shortage of timber. In the rural industries, the fodder industry and the food-processing industry were almost close to a blank, compound processed feed accounted for only 10 percent of the total amount of fodder, grain used for feed amounted to only 15.6 percent of the grain output and processed food came to only 32 percent. The transport situation in the countryside was extremely strained, many agricultural and sideline products went bad or rotted because they were not shipped out expeditiously; there was a shortage of electric power and fuel in the countryside. Various service trades in the countryside also performed very poorly, production that went beyond the family scale to enter into the sphere of specialization had encountered mounting difficulties and so on and so forth. If these questions are not resolved expeditiously it will dampen the mass enthusiasm for production, making it very difficult to develop the rural commodity economy and satisfy the social needs.

The Third Plenum of the 12th CPC Central Committee has made the decision to institute reform of the economic structure in cities which will bring about further changes in the relationship between the urban and rural areas in our country. The contacts between urban and rural areas will be further expanded and the exchange of funds, technology, personnel and supplies between urban and rural areas will develop in various forms. With their decisionmaking power expanded, state-operated enterprises in the cities will actively spread to the countryside to establish various forms of contacts with rural enterprises, on the one hand, and, at the same time, compete with enterprises of the same categories in the country, thereby resulting in the reorganization of rural industries. Some enterprises that cannot survive the competition may have to stop production and shift direction, while other enterprises may possibly integrate with state-operated enterprises or other enterprises, and a batch of new enterprises may probably emerge. In the meantime, an increasing number of rural residents may enter into the cities in different ways to establish enterprises or operate various service trades and, as a result, more people will engage in activities to promote circulation between the urban and rural areas. This will help develop various trades in the countryside vigorously and bring about structural changes in the original enterprises. Such changes in the relationship between urban and rural areas is not only conducive to the development of industries in the cities but will also bring about a new situation in commodity production and circulation in the countryside.

In short, the development of a rural commodity economy calls for the readjustment of the rural industrial structure, on the other hand, the rational readjustment of the industrial structure will advance the development of the rural commodity economy.

#### The Major Demands of Readjusting the Rural Industrial Structure

As the rural industrial structure has several levels, readjustment work should be considered and carried out in light of these several levels.

The first level is the farmland crop growing industry. The most salient contradiction reflected in this level now is the relative surplus of grain and cotton. There are different views in regard to this question. Our basic estimates are: a) From the overall and long-term point of view, our average per capita grain-possession rate is not high. The total grain output in 1984 amounted to 800 billion jin, averaging 800 jin per person, which is lower than some countries in the world. Cotton output totaled 100 million dan, averaging 10 jin per person, which is not too much. The shortage will be felt in future when various trades are developed and the people's level of consumption rises; b) Due to the relatively low level of consumption by our people, the animal husbandry and the agricultural products processing industries are still weak, compounded by the shortage of supplies in the past and the lack of warehouse and transport facilities, the increase in grain and cotton has not quite adapted to the situation in various respects; however, this

state of affairs is only a temporary and relative one; c) In face of the overall relative surplus of grain and cotton output at present, an imbalance has existed in various areas in distribution and varieties with some provinces having a surplus while others are suffering from a shortage. The northeast has abundant corn and soybean but is short in wheat; the south has abundant rice but is deficient in corn and soybean; the lack of good transport facilities has also made the job of regulating supplies difficult; d) The grain and cotton reserve now in the hand of the state has exceeded the reserve necessity. If we continue to procure these products in large quantities instead of transforming them expeditiously, there will be no place to store them, besides they will also tie up funds, increase financial burdens and give the producers a false impression of the market. It is also hard to continue such a practice. It runs counter to commodity economic activities. A commodity economy calls for speedy circulation of products and quick turnover of funds; by letting the products remain inactive, it will not only impede reproduction but also stimulate continued consumption. Some have estimated that if grain is stored for longer than 6 years, taking into account outlay and spoilage, the original value is forfeited. In the case of cotton, the problem is primarily a matter of quality. Thus, adequate readjustment should be made at the level of the crop-growing industry. (1) Variety should be improved and more fine-quality rice and cotton should be grown; (2) in places where the grain crops are ensured, part of the cultivated land may be used to grow industrial crops and fine-quality fodder or green manure that can bring in higher income and part of the low-lying land may also be converted into fish ponds or used for growing aquatic plants; (3) slope land that is unsuitable for farming should be removed from farming and returned to afforestation and growing grass, while some enclosed and reclaimed land may be restored to breed fish instead of being left in farming. While readjusting the crop-growing industry, efforts should be made to reform unified purchase and assigned purchase, open up more channels of transportation and sale of commodities, engage in various forms of operations, employ different means to open up the market and energetically help in the transformation. Steps should be taken to solve problems existing in the crop-growing industry so as to help develop other industries and also see to it that the peasants' enthusiasm is not frustrated and that the peasants' income is increased as a result of the readjustment. The crops-growing industry is the foundation of agriculture as a whole, properly readjusting the crop-growing industry will help agriculture and other industries in the countryside develop healthily.

There are many weak links in the second level (agriculture, forestry, animal husbandry and fishery). The most important thing to do at present is to develop animal husbandry and fishery with grain. For fish and chicken, because the feed-conversion rate is quite high and the feeding period is relatively short, they are quite easy to develop, efforts should be made in this endeavor. With these two items developed, the people's food mix will undergo tremendous changes. Hog raising was at a standstill in the past due to the restrictions of assigned purchase and those on prices and consumption, however, with the changes in assigned purchase and in pricing, it can be developed as a profitable trade, but efforts



should be made to develop lean hogs. At the same time, efforts should also be made to increase herbivorous animals and raise more milk cows. Semi-agricultural and semi-pastoral areas should popularize the methods of propagation in pastoral areas and fattening in agricultural areas. Vigorous efforts should be made to develop forestry and cover the motherland with trees. Afforestation must be carried out not only in the mountainous areas but also in the plain areas; efforts should be made not only to develop timber forests but also to protect and develop water-source forests, shelter-forests and fuel forests. Steps should be taken to strengthen tending and protection, raise the survival rate and growth rate, insist on rational felling, pay attention to comprehensive utilization, develop diversified undertakings and eliminate varied obstacles to the development of forestry. To develop animal husbandry and forestry and speed up grain conversion, grain may be loaned out to animal husbandry industry and forest operators even at some losses, it is still better than letting the reserve grain spoil. This matter should be pursued boldly.

With regard to the third level (industry, commerce, transport, construction and services), people all want to develop industry and commerce to make quick money, however, from an overall standpoint, first of all, we should pay attention to developing the fodder industry since it is an important way of converting grain and also the foundation for developing animal husbandry. Rational arrangements should be made according to conditions in various localities. Generally speaking, it is necessary to develop compound feed so as to raise the feed-utilization rate and conversion rate to accelerate the development of animal husbandry. Second, attention should be paid to the food-processing industry, raise food quality and increase output value. Third, steps should be taken to strengthen communications and transport and waterway transportation in the countryside, particularly to building highways, develop collective motor transport and waterway transport and increase the circulation volume and speed of rural products. Fourth, efforts should be made to develop rural energy industry in places where conditions are ready, such as small coal pits and small hydroelectric power stations; attention should also be paid to developing the fuel forests, the utilization of solar energy and wind energy. Fifth, attention should be directed toward developing science and technology and other service trades such as propagation of fine strains, introduction of new technology, providing technical guidance, doing a good job in information and advisory work and strengthening accounting services, particularly attention to guiding and helping the developing specialized households.

Nationally speaking, the focus of readjustment at present is to transform the increased grain and cotton and support the development of animal husbandry, fishery, forestry, the fodder industry, the agricultural products processing industry and transport industry, particularly the development of the breeding industry.

As the societies and natural conditions in areas of various categories are different, the focus of readjustment and the industrial structures should also be different. In economically developed areas, particularly areas with good industrial foundation, the focus of readjustment should be placed on the third level, principally to cope with the urban economic reform and the new situation of opening to the outside world; township enterprises should be readjusted and a number of duplicating enterprises that lack the ability to compete should be suspended or transferred to other production; efforts should be made to develop new enterprises selectively on merit, energetically import and apply new technology, raise production level and increase export; while expanding domestic sales, steps should be taken to take advantage of the favorable conditions with the relaxing of unified purchase and assigned purchase of agricultural products, and to readjust agriculture and supplement and strengthen the weaker segment so as to satisfy the export and urban needs. For other areas in general, the focus should be on the first and second levels, with the main tasks being to solve the readjustment of grain, cotton and other crops, energetically develop animal husbandry, fishery, forestry, fodder industry, agricultural products processing industry and other industries suitable locally. Attention should be paid to set up an industrial structure with a local character according to one's own conditions and develop it steadily without impetuosity and avoid mechanically copying the economically developed areas. Hardship areas lagging behind in economic development should do a good job in readjusting the first and second levels in accordance with the caring policies put forth by the central authorities. The focus of work should in general be placed on forestry, animal husbandry and locally suitable production; the mountainous areas should concentrate on highway and transport building; grain and cotton can be used as bargaining chips in the form of investment or credit to organize the local masses in road building and afforestation and in developing animal husbandry and other enterprises.

In the course of readjusting the rural industrial structure, many places have concentrated their main energy on developing the township industries by adhering to the saying that "there can be no affluence without industry." Some have even neglected and looked down on agriculture. This tendency merits our attention. From the overall and long-term point of view, undoubtedly, our countryside must develop industry and shift more labor forces to industry and other pursuits so as to gradually advance toward industrialization. However, under no conditions should agriculture for this reason be placed in a position of little importance. Agriculture is the foundation of the entire national economy, as in common in all societies; this is not only true in industrially underdeveloped conditions but also true in industrially developed conditions; we must pay attention to this question not only in areas where the level of economic development are relatively low but also in economically developed areas. Ours is a large country with the largest population in the world, the major agricultural and subsidiary products we need must be fundamentally based on self-sufficiency at home; in terms of finance and transport facilities it is impossible for us to rely on supplies in

large quantities from abroad, besides, the world market cannot meet such a supply. As the urban industries and other pursuits are developed further they need more and better agricultural products from agriculture and at the same time want to have a daily expanding market. While the urban market is naturally significant, the rural market is also gradually rising to an important position. The development of agricultural and rural enterprises is absorbing increasingly multitudinous means of production; the increase in the income of the rural people is continually expanding the needs for consumer goods produced by industry. As for foreign trade export, agricultural products and products processed from agricultural products have occupied an important position. Without a certain volume of export in exchange of more foreign exchange in return, our import of technology and innovation will be severely curtailed. Negligence of the countryside and agriculture is detrimental to the development of the cities and industry. At present, some people have felt that engaging in agriculture is suffering, but this is only a temporary and abnormal phenomenon that has appeared when the state monopoly for purchase and marketing and pricing is imperative. As soon as the policy in this area is relaxed, people who engaged in agriculture can also become well off. Economically developed areas should also improve agriculture but they should not resort to the practices of the past of building grain bases and going after self-sufficiency in agricultural products. The grain task should be exempted since it is more favorable to have some products produced in other places than locally; these products may be purchased in keeping with the principle of mutual benefit and mutual exchange and favorable local conditions should be taken advantage of to develop agricultural and animal products and higher class products processed from agricultural products of freshness and vitality, fine quality, high grade and high value so that agriculture will also flourish with the development of the cities and industry.

The fundamental orientation of readjustment of the rural industrial structure is to develop the rural economy toward specialization, commercialization and modernization so that various pursuits will be gradually specialized and commodity productivity will be raised to more toward modernization by promoting technical transformation through developing commodity production. Among the various types of production, specialized, commercialized and modernized land management is more difficulty and complicated. It is possible that peasants in most areas have to go through a long period of holding another job concurrently before some of them can enter into the stage of specialized production and enlarged scale. Such a transformation should not be accomplished with undue haste or coerced nor should it be let alone. We should recognize the direction, consciously create conditions and gradually lead the peasants to see that the use of land will be relatively concentrated onto the road of specialization.

## Important Conditions for Readjusting Rural Industrial Structure

Readjusting the rural industrial structure is far more complicated than promoting the production responsibility system in the countryside. The latter can be instituted as long as the masses in the units concerned agree and do their work well; whereas the readjust of the industrial structure involves many aspects in which nothing will move if one link is clogged. For example, converting surplus grain into meat involves raising, feed, transportation, facilities, science and technology, epidemic prevention, processing, marketing, pricing, the level of consumption, financial subsidies and so forth, all these are linked together and mutually restricting. This task cannot be carried out independently by a single unit or department and must be taken into overall consideration, mutually coordinated and done in unison.

At present, there exist numerous conditions favorable to the readjustment of the rural industrial structure: (1) Since the output related system of contract responsibility was implemented in the countryside, the peasants given the decisionmaking power for production are highly enthusiastic in production and are making efforts to develop diversified undertakings; (2) rural production has been developing very rapidly in recent years, reaping bumper harvests of grain, cotton and oil-bearing crops year after year, thus creating excellent material conditions for developing other undertakings in the countryside; (3) the urban economic structural reform will further develop mutual assistance and exchange between the urban and rural areas and between industry and agriculture; (4) the reform in the circulation sphere will relax unified purchase and assigned purchase, change the irrational price control and the price system and expand multichannel and multiform circulation. All this is conducive to the development of the rural commodity economy and the readjustment of the industrial structure. However, there have been many difficulties whose origin is that in transforming from a self-sufficient and semi-self-sufficient economy to the commodity economy, it is necessary to create conditions throughout to readjust the originally low production level and the many unsuitable practices.

First of all we should be adept in mastering and utilizing economic means as the lever of readjustment. The present rural situation is not the same as in the past. The peasants have become independent commodity producers and operators, they can only exchange products in the form of buying and selling. In a commodity economy, the law of value plays a decisive role. The state planning organs cannot directly hand down mandatory plans to individual peasant households ordering them what to produce and deciding how much is to be produced and sold. In arranging for production, the peasants will have to see what is to their benefit before they make a decision, they will work energetically for bigger profits, not so energetically for small profits and stay away if there is no profit to be made, this has become a matter above criticism. Therefore, the readjustment of the rural industrial structure is not a matter that can be readily accomplished by expounding the necessity of readjustment and

by formulating a rational readjustment plan, it has to draw support from economic means, such as prices, taxation, credit and subsidies, to realize what we encouraged and what we controlled so that the peasants can make arrangements for production and operations by taking into consideration their own economic benefits to realize the demands of the plans. At present, our pricing for agricultural products, taxation and credits in the countryside are irrational in many respects, thereby impeding the readjustment of rural industries. This has called upon our planning organs, finance and tax departments, banking departments and agricultural departments to jointly study the production and market situation, expeditiously solve existing problems relating to pricing, taxation and credit, and in accordance with the needs of developing production and readjusting the industrial structure, adopt flexible measures in a timely manner to ensure that the plans are fulfilled. The readjustment plan will fall through if we are not adept in applying the economic levers.

Second, we must have certain technical measures. The history of industrial development has told us that a certain development in production and the division of labor will lead to technical innovation, technical innovation will propel industrial revolution and changes in the industrial structure, and new technology provides material conditions for the emergence of new industries. Without technical conditions, it is very difficult for us to readjust the rural industries and develop them in the direction of specialization, commercialization and modernization. To produce fine-quality grain and cotton, it is necessary first of all cultivate, import and popularize superior seeds; to raise lean hogs and develop chickens, besides having good breeds, it is necessary to solve questions dealing with equipment, epidemic prevention, feed, feeding techniques, processing and storage; to develop the fodder industry, it is necessary to have feed mixes suited to the localities, production facilities and a marketing system and so on and so forth. The most urgent task at present is to strengthen the cultivation of superior seeds for agricultural crops and the raising of good breeds for poultry, increase the production of modern equipment needed by the animal husbandry, fishery and forestry industries, increase the supply of processing and transportation machinery, fuel, coal and electric power for the countryside and steadily improve production techniques and train technical personnel. Following the urban economic structural reform, the rural industries will exist and develop in a fiercely competitive environment, thus our agricultural products and processed products not only have to satisfy domestic needs, but also must export vigorously, thus elevating technical transformation to an important position.

Third, funds, technologies and personnel between the urban and rural areas and among individual areas must be able to flow freely and be realigned according to the needs of the commodity economy. In the past, because some of the key elements between the urban and rural areas, between various localities and levels and between various departments, trades and units were rigidly controlled, they were not rationally combined and utilized, thus resulting in tremendous waste. To readjust

the industrial structure, the production element must be readjusted accordingly. Any thought of relying on the administrative departments to take care of everything in distribution and rearranging things will make it very difficult for each element to play its role well and fully. Only by means of free association can the ideal goal be achieved. To this end, it is necessary to carry out reform of the system of funds, technology and personnel management.

Fourth, we must have a certain amount of funds. Funds for rural construction rely chiefly on the countryside to accumulate by developing commodity production to increase income and with credit funds as the key factor. Thus it is necessary to reform the rural finance structure and turn the credit cooperatives into a cooperative finance organization and let it expand the scope of operations and horizontal contacts independently and with initiative in its own hand. Various ways of amassing funds may be permitted in the countryside and various types of credit may be allowed to coexist, the interest rate of the cooperative economy and mass credit may be floated and the methods of account settlement changed. Various ways of raising funds have now appeared in different localities, such as by forming investment corporations, development corporations, using capital to lead labor, absorbing workers and staff members of enterprises to become shareholders, issuing stock certificates and partnership operations, so long as they do not obstruct the state financial management, and so long as they are conducive to the development of rural industries and the masses participate voluntarily, efforts should be made to continuously sum up experience in the course of practice so as to make them perfect. The funds available must be used rationally making best choices for raising economic results. Attention should be directed to looking into some incidents which have occurred in the countryside, such as people finding no place to spend their money or about improper spending, and to strengthening information, advisory and directory work so that the roll of limited funds can be utilized to the fullest possible extent.

The development of the rural industrial structure will eventually bring about the increase and expansion of the small towns and cities. Planned construction of small towns and cities and properly solving the settlement of peasants in small towns and cities to run enterprises will create favorable conditions for the development and readjustment of rural industries.

Our countryside is now at the threshold of a period of change, changing from solving the question of having enough to eat and wear to striving to attain a comparatively well-off level, changing from the self-sufficient and semi-self-sufficient traditional agriculture to specialization, commercialization and modernization; changing from relatively simple production to comprehensive operations. The readjustment of the industrial structure is an important link in this change and we must grasp it well, promote the development of the rural commodity economy and successfully achieve this historical change.

12662

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NATIONAL

## FOOD INDUSTRY DEVELOPMENT EMPHASIZED

Beijing NONGYE JINGJI WENTI [PROBLEMS OF AGRICULTURAL ECONOMICS] in Chinese  
No 10, 25 Oct 84 pp 61-64

[Article by Li Xingjia [2621 5281 4471]: "Vigorously Develop Food Industry To Create New Situation in Rural Economics"]

[Text] In recent years, many great changes have taken place in our country's rural areas. The pursuance of joint contract responsibility production and other rural policies broke the long stagnant condition in China's agricultural production. Production moved from self-sufficiency or semi-self-sufficiency to a comparatively large scale commodity reproduction, a transformation from traditional farming practice to agricultural modernization. Currently, our country is undergoing a period of grand evolution of socialized commodity production and exchange between urban and rural areas. This new situation calls for energetic development of the rural food industry as an important step to start a new phase in rural economics.

I. Develop Rural Food Industry: Promote Commercialization of Agricultural Production

Our rural economy has remained for a long time in a self-sufficient or semi-self-sufficient condition. This is a vestige of the semifeudal and semi-colonial society and the result of our lower rural productivity. The self-sufficient and semi-self-sufficient economy meant that rural production was mainly limited to food grains, and lacked economic products and livestock. Farmers had to satisfy their own consumption of food before being able to supply food or economic products as commodities for circulation. Statistically, only 13.7 percent of national food production in 1980 was classified as commodities, and only 32.9 percent of all agricultural production can be classified as commodities. Irrespective of their social system, the economically developed countries in the world modernized their agriculture by building up their marketable agro-economics. For instance, the commodity ratio was only 25 percent of U.S. agriculture in 1820, and 70 percent in 1910, 91 percent in 1950, and in the 1970's almost the entire agricultural production in America is for the commodity market. The Japanese agricultural commodity ratio was 20 to 30 percent in 1890, and rose to 67.7 percent in 1959. Yugoslav agricultural commodity product was less than one-third before the war, 39 percent in 1956-1957, and rose to 53 percent in 1968-1969, while its socialized collective farms produced almost 100 percent for the market.

The low commodity ratio of agricultural products is the chief reason that kept Chinese agriculture in poverty and backwardness for a long period of time. Because of a low commodity ratio and a small surplus of farm products, 1 billion people had to remain in the stage of just getting enough to eat. When farmers cannot sell more farm products, they are unable to buy more materials for production, and consequently productivity cannot be improved quickly. Therefore, in order to get rapid development of our agriculture, it is necessary to develop commercialized agriculture, to increase the commodity ratio of farm products.

To increase the commodity ratio of farm products, primarily the position of agriculture as producing only raw materials must be changed. This is to develop the rural food industry. Because of the backwardness of our economy, people are used to preparing their own food. The food industry is small, and the food industry in the countryside is even smaller. Among village and township enterprises, the proportion of the food industry in 1978, 1979 and 1980 was only 5, 6 and 7 percent, respectively, while food industry employees constituted only 2.5 percent of the total township enterprise work force. It is proper to say that the Chinese rural area remains basically a place to produce raw materials only. It is difficult to develop agricultural commodity production without a change in this situation. The fact is that by producing and selling only raw materials and not developing the rural food industry, farmers cannot increase their income by simply producing more; or once production is increased, difficulty in selling is encountered so that increased production does not represent an increase in value, and there is no encouragement for the farmer to produce more commodities. When farmers' income remains unchanged, they cannot afford urban or rural processed foodstuffs; they have to keep on "self-farming, self-processing and eating their own produce." There will be no enlargement of the rural market, and no one can stimulate them to develop the production of commodities. Because the farmers can not increase their income, they have no way to obtain more capital to pay for the cost of production or to enlarge agricultural reproduction, and naturally this means that they cannot supply more marketable agricultural products for the public.

To vigorously develop the food industry in the countryside is a way to enhance the commercial production of farmland. After the development of the rural food industry, agricultural and sideline products will enjoy an enlarged market so that a break through from the self-sufficient, insulated system will be achieved. In turn, farmers can obtain their needed foodstuffs and other consumer goods through exchange, and specialization of rural production is thus realized. Specialization will further induce the production of marketable goods.

## II. Develop Rural Food Industries, Create Conditions for Joint Management of Agricultural, Industrial and Commercial Enterprises

To develop agricultural commodities further, it is necessary to as for joint operation of agriculture, industry and commerce. But such a joint venture requires a higher commodity ratio as a foundation. It also requires a sizeable rural industry to support it. Without it, three-sided joint operation will be impossible.



In both the developed capitalist world and socialist countries, the "industry" operated by the joint venture consists primarily of the processing of farm products. Of the farm products, food-product processing occupies a large percentage. For instance, the Hungarian experiment of joint ventures in agriculture and industry projects was to combine one food-processing enterprise with some tens of coops and state farms into four joint enterprises in the country. The Belgrad Agroindustrial Enterprise of Yugoslavia was organized at the beginning to satisfy the food supply of 1 million inhabitants in Belgrade. At present, it deals not only in agriculture and animal husbandry, but also processes foodstuffs.

It is true in foreign experiences that the development of rural food industry is the only way to build a sound agroindustrial joint venture. Inside our own country, successful experience also proved that to put a joint operation in an invincible position, the only way is to fully develop the rural food industry. As an example, Chang-Jiang Joint Enterprise of Chongqing City joined forces with 365 orange production teams around the city to build a cannery with a capacity of 1,000 tons per year. This joint venture of agriculture, industry and commerce has a guaranteed supply of raw material to work on, and the area of citrus plantation is enlarged uninterruptedly. It is projected to produce 10 million jin of citrus fruits in 1990; and will be the equivalent of the entire current annual production of Chongqing city.

Obviously, the development of a rural food industry is the preparatory step for three-sided joint operation, and opens the way for full development. The fact is that after the development of a food industry, it will in turn stimulate plantation and animal husbandry activities, and followed by processing of other farm products, service, pre- and post-production enterprises. The coordination of the food industry will provide agroindustrial-commercial cooperation a sound foundation and allow it to grow profusely.

### III. Develop Rural Food Industries, Form Small Economic and Cultural Centers in the Rural Areas

Following the continuous growth of the rural economy, our vast countryside will gradually evolve many small-scale centers of economic and cultural activities scattered all over the land like stars. These small centers play an important role in invigoration of city-countryside exchange of economy and culture, expansion of rural commodity markets and absorption of surplus manpower in the farmland.

The density of our rural population is high and cultivable land is relatively scarce, averaging 1.5 mu per capita. Therefore, only by building local industries and developing "multiple operation" can we resolve the problem of surplus agricultural labor. Development of the rural food industry is an effective measure to absorb this rural labor. This is a relative concentration of population in the vast rural areas. The concentration provides conditions to build rural cultural, educational and service centers. It means the gradual shaping of different characteristic centers of culture and economy in various localities. The economic foundation that was based upon the opposition of city against countryside, and upon the separation industrial workers and farmers can be altered, and the overconcentration of industrial population in

the city and too much dispersion of rural population can be rectified. It fuses the city with the countryside. We have more than 50,000 people's communes and more than 1.48 million country- and village-operated enterprises today. As the development of rural food industry groups them together to form agroindustrial-commercial composites, and as the sites of communes and country centers build rural economic and cultural centers, certainly a brand-new appearance will evolve in our countryside.

#### IV. Develop Rural Food Industry and Socialization of Food Consuming Habits of the Population

For centuries, the Chinese people have prepared, cooked and eaten their own foods. This is the manifestation of natural economy. Consumption of this sort is irrationally arranged, and causes huge wastage of time, energy and human labor. It hinders the growth of national economy. This backwardness in consumption is in fact a model of wastage. To develop rural food industries can induce a change in the structure and method of food consumption of the general public. By changing the method of consumption, the advantages of the socialized economy can be appreciated. First, after the development of rural food industries, many types of cooked, convenient and nutritious foods will be available in the market to satisfy peoples' basic requirements of calorific heat, various proteins, amino acids and vitamins. It is helpful to improve the health of the population. Second, the development of rural food industries will liberate people from domestic cooking chores. The time and labor saved can be diverted to productive construction and scientific education to improve working and production efficiency, and create more material and spiritual wealth. Third, the development of rural food industries will achieve the double function of broadening sources of income and reducing expenditure. On one hand, it fully utilizes and explores agricultural resources for production of various kinds of foodstuffs, and on the other hand, by means of processing the resources it synthesizes utilization and economizes these resources.

If we do not develop rural food industries and adhere to the traditional form of the countryside supplying raw materials and the city processing them, there can be no rapid change in the structure of food consuming practices. If the price of canned fruit is only slightly higher than that of fresh fruit, the price of bread is about the same as that of mantou, and many kinds of convenient noodles are priced at the same level as that of wheat flour, how could the general public refuse to buy these readymade products? Hence the vigorous development of rural food industries is the fundamental way to lower food prices.

#### V. How To Solve a Few Problems Confronting the Development of Rural Food Industries

Development of rural food industries means a great deal to further the advancement of rural economy into a new phase. Currently not sufficient emphasis is given to understanding this problem, and certain economic policies limit the development of this area. Scientific research and education in agriculture

are far from being enough for its development. Everything needs urgent reform.

A. To solve the ideology and recognition problem, the development of rural food industries must be considered as part of the strategy of developing the rural economy. With leadership and planning, it should be carried on step by step to build our special form of food industry setup.

There are misunderstandings about the question of development of rural food industries. These erroneous ideas obstruct the growth of rural food processing, and keep the rural economy in the old framework of being only a supplier of agricultural products. It is difficult to enter a new situation. With the elevation of the living standard of people both in the city and countryside, the market for food consumption will expand continuously so that the rural food industries have a great future. The crucial point is whether due attention has been paid, and has it been paid early enough. If one is liberated from the old concept of agricultural economy, takes a broader view of the rural economy as a whole, one would then put the development of rural food industries in the strategically important position for development of the rural economy. Why should one worry about the inability to develop rural food industries.

B. Provide the connection of production-supply-distribution channels, for the development of rural food industries.

For the time being, not only the channels for development of rural food processing are impeded, the channels for production and sales are also impeded. When these channels are impeded, increased production would mean more worries for the farmer. They have no facilities to process; and even when processed, the product cannot be distributed and sold. It would be difficult to develop the rural food-processing industry without changing of this situation. It is so important to keep the production-supply-distribution channel unimpeded. The following proposed reform measures will assist the development of rural food processing industries:

1. Reform the supply and marketing cooperatives. Using the cooperative as a nucleus to form an agroindustry-commerce company, and accepting farmers to participate; under planned guidance, the company can operate independently to procure raw materials, to transport and market its products, and to build food production centers in the farmland. Thus production, supply and marketing are unified into a "one-stretch dragon."
2. Inside the joint company, set up a consultation office to provide market information and conditions to give a timely reflection of the supply and demand of the markets in the city as well as in the countryside. The office also supplies technical information to the agricultural producer. It gives forecasts of market fluctuations to guide the advancement of the rural food-processing industry.
3. The method of purchase of farm products in the city is to be reformed. The purchase of farm products as raw materials is to be gradually changed to

the purchase of manufactured goods. Testing standards for the quality of foods to be purchased should be set up. These measures will enlarge the selling of foods in the city.

4. A low tax policy for rural food industries should be adopted. This is to encourage the agricultural producers to invest their profit from food processing into expansion of reproduction and unceasingly lower food prices to avoid increasing consumer's expenses. The price subsidies for farm products can be gradually reduced. It is beneficial for the government, the collective and individuals.

5. The joint venture of rural and city food processors should be energetically promoted. The technology and equipment are to be supplied by the city, and manpower by the rural area. Raw materials are purchased and processed on site. The products could be sold exclusively by the city partner. By doing so, the productivity of the city partner is increased, and cost of production lowered; also there is a larger income for the farmer, less wastage and the economization of energy.

C. The weakness in scientific research and education should be solved by training a big team of technical and managerial personnel for the development of rural food-processing enterprises.

To develop, rural food industries need not only raw material, machinery and capital, but an even more urgent need today is a supply of technicians and "ways and means." The necessary technical personnel can be looked for and trained in a number of ways, but never should the development of food processing enterprises be limited because of a shortage. On the contrary, the development itself could be the motive force to propel the cultivation of personnel. It could be done as follows:

1. Reschedule courses in agricultural colleges (vocational schools included) to include a food-processing department or to organize a school of processing industries (food-processing is to be included); for those universities that have facilities, colleges of processing can be added. This is to cultivate rapidly a team of technicians specialized in processing work. With this team of technicians as the backbone, the area of training can be enlarged. Agriculture economic departments of agriculture universities must give courses in fundamental processing technology and in economic management, so that the gaps in the department of agricultural economics can be filled and facilities the training of management experts for the vast rural districts.

2. In the villages, organization of food-processing technical societies, such as fowl and animal societies, starch processing societies, tea manufacturing societies, fermentation societies, beverage societies, edible fungi societies, etc., will be helpful. Through the activities of these societies, food processing techniques can be propagated, and new ideas and experiences can be exchanged. Societies can be either organized by the management or by technical organizations. Expenses for their activities can be subsidized at the beginning, until food-processing enterprises are well developed, then society members shall bear in the form of donations. This is the way to spread food-processing technology rapidly.

3. Associations of scientific research institutes, universities and villages can jointly sponsor many kinds of training classes for processing technology. Now farmers are in high spirits to learn processing technology but have no place to learn. Training classes can be organized so as to suit local conditions. Every class term will train a number of specialized experts. Investment is small and results are immense. This is an effective way to train processing personnel with greater, faster, better and more economical methods.

4. Search for latent rural technology. There are hidden and latent local talents. They can be found and have many kinds of abilities. The rural government must search for these "talents." Help them to solve problems in production, and in the meantime sum up their production experiences. Propagation of their experience makes these "talents" the technical backbone for the development of rural food industry.

In conclusion, our country is rich in human and natural resources, therefore, the development of rural food industries has a very bright future. As long as every trade and every enterprise, and every department can open their minds fully, work together with one heart, then the rural food industry will flourish, and our country's agricultural economy will initiate a brandnew appearance.

12804

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NATIONAL

#### QUESTIONS ON RURAL TAX REVENUE ANSWERED

Beijing ZHONGGUO NONGMIN BAO in Chinese 4 Sep 84 p 2

[Interview: "Questions on Relevant Rural Tax Revenues; Official at the General Taxation Bureau, Ministry of Finance, Answers Reporter's Questions"]

[Text] Question: What taxes are levied by the state on the peasants and individual industrial and commercial households in addition to the agricultural tax?

Answer: The following relevant tax provisions apply to the peasants and industrial and commercial households:

1. An industrial and commercial tax is levied on tobacco, tea, aquatic products and unprocessed timber and bamboo produced and sold by the peasants as individuals; an industrial and commercial tax must be paid by individual industrial and commercial households on business income obtained from engaging in industry, traffic, construction, installation, transport, business, food and beverages, services, processing and repairs, and an industrial and commercial income tax is levied on their profits as well.
2. A temporary industrial and commercial tax, at a tax rate of 5 to 8 percent, is levied on income obtained from engaging in business (including long-distance transport of goods for sale), services, construction and installation which has yet to be approved by the administrative departments. An industrial and commercial income tax will not be levied on top of the temporary industrial and commercial tax.
3. A slaughter tax of 2 to 5 yuan per hog, .2 to .8 yuan per sheep and 3 to 6 yuan per cow is levied on peasants who butcher these animals. The slaughter tax is not levied on minority nationalities for cattle and sheep which they butcher and eat themselves during religious festivals.
4. A livestock transaction tax, at a tax rate of 5 percent, is paid by the buyers for all transactions carried out for oxen, horses, donkeys, mules and camels. The tax may be exempted during the period of resumed production following serious natural disasters.
5. A vehicle and boat use and licensing tax is levied on motor-driven vehicles and boats purchased by peasants for use in transport and other productive operations.

No independent tax methods have been drawn up for rural specialized households; they pay taxes just as other peasants do. Some regions think there is a need to collect a market transaction tax and with the approval of the provinces, autonomous regions and municipalities directly under the central government we could levy a market transaction tax on several classes of commodities sold at the markets, such as meats, and dried and fresh fruits.

Question: What is the "eight-level excess progressive tax rate?" How is the "excess progressive tax rate" different from the "total volume progressive tax rate?"

Answer: The State Council decided that beginning in 1984 we would switch to levying an income tax on the rural enterprises according to the eight-level excess progressive tax rate, which was to divide the net profits of the rural enterprises into eight levels and apply a different tax rate to each level. The eight levels and their tax rates are: for net income of 300 yuan or less the tax rate is 7 percent; net income of 301 to 600 yuan, 10 percent; 601 to 1,000 yuan, 20 percent; 1,001 to 2,500 yuan, 30 percent; 2,501 to 10,000 yuan, 35 percent; 10,001 to 30,000 yuan, 40 percent; 30,001 to 80,000 yuan, 50 percent; above 80,000 yuan, 55 percent.

When figuring the taxes to be paid according to the total volume progressive tax rate, when the amount of income makes it necessary to increase to the next higher tax rate, the tax is reckoned on the total amount of income at the higher tax rate. When figuring the amount of taxes to be paid under the excess progressive tax rate, only those earnings in excess of a particular level are taxed according to the corresponding tax rate. This is how the two differ.

For example, if the net profits of a certain rural enterprise for 1 year is 2,500 yuan, according to the eight-level excess progressive tax rate table, we must divide the 2,500 yuan into 4 tax brackets and apply the appropriate tax rate to each portion in figuring the taxes to be levied.

1st portion: 300 yuan x 7 percent = 21 yuan  
2nd portion: (600 yuan - 300 yuan) x 10 percent = 30 yuan  
3rd portion: (1,000 yuan - 600 yuan) x 20 percent = 80 yuan  
4th portion: (2,500 yuan - 1,000 yuan) x 30 percent = 450 yuan  
Amount of tax due: 21 yuan + 30 yuan + 80 yuan + 450 yuan = 581 yuan

We can see from the example cited above that although the tax rate for the highest level for this rural enterprise was 30 percent, the real tax burden was only 23.2 percent. If taxes were levied according to the total volume progressive tax rate, the tax rate for this enterprise would be 30 percent and taxes would be 750 yuan. So it can be said that the burden tends to be more equitable for the excess progressive tax rate than for the total volume progressive tax rate.

Question: Which rural enterprises could have their tax reduced or be exempted?

Answer: According to state tax measures and provisions of relevant documents, rural enterprises in the following situations may have their taxes reduced or dispensed with:

1. The provinces, autonomous regions and directly administered municipalities may fix specific tax-reduction principles for enterprises which truly have difficulty competing with large industries for raw materials and paying the industrial and commercial income tax and if checked and verified by county and city tax bureaus and submitted to county and municipal people's governments for approval, tax reductions may be granted for a specified period.
2. Rural enterprises in the frontier counties and nationality autonomous counties (banners) whose yearly incomes do not reach 3,000 yuan for 1984 and 1985 may be exempted from the industrial and commercial income tax.
3. Newly founded rural enterprises which encounter difficulties during the initial period of starting up operations may be exempted from the industrial and commercial income tax for 1 year.
4. Rural enterprises which utilize the "three wastes" from their own enterprises and produce goods may be exempted from the income tax on the income and profits from these goods for 5 years from the time they go into operation.
5. Rural enterprises, rural commune production brigades and peasants as individuals that construct new cold storage and warehouse facilities under independent accounting may be exempted from the industrial and commercial income tax on income earnings from these for 2 to 3 years from the time they are put into operation.
6. Consideration will be given to exempting from taxes for a specified period those enterprises which engage in initial processing of agricultural products, small-scale hydroelectric and thermal power works and mining enterprises which encounter hardships in paying taxes.
7. Disaster areas which engage in production to provide for and help themselves may have the industrial and commercial tax reduced or dispensed with for a specified period of time.
8. Based on actual situations, the provincial, autonomous region and directly administered municipal people's governments may enumerate a list of products and services exempt from the industrial and commercial income tax for rural enterprises which deal in chemical fertilizers, pesticides and the building and repair of farm implements which directly serve agricultural production, as well as production-team-run enterprises which manage undertakings such as bean curd plants, flour mills and soy and vinegar plants which directly serve the people's standard of living.
9. Consideration may be given to reducing the industrial and commercial income tax for a specified period for rural enterprises in long-standing revolutionary base areas, minority nationality regions and frontier areas which truly have difficulty in paying the tax.

12513

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## CHINA LEADS WORLD IN AQUATIC BREEDING OUTPUT

Beijing JINGJI RIBAO in Chinese 26 Nov 84 p 4

[Article: "National Aquatic Breeding Enterprise"]

[Text] Since 1978, under the guidance of the rural policy formulated in the Third Plenum of the 11th CPC Central Committee, the national aquatic breeding area was increased by several hundred thousand mu each year at a speed which rose by degrees, with output increasing every year. At the end of 1983, the aquatic breeding area in all of China had already reached 2.8 million mu, with an output of 545,000 tons, 54-fold that of the early period of the liberation. According to international statistical standards, our national aquatic breeding output was 2.26 million tons, 55.5 percent of which was fish, shrimp and shellfish and 44.5 percent kelps, lavers and other kinds of algae. Our output was 45 percent of the world's aquatic breeding gross output, ranking first in the world.

Aquatic breeding is an important component of ocean fishery. The development from fishing and catching the natural resources to artificial propagation and breeding is caused by the law of economic development, and it is also a manifestation of the progress of human society. Our ocean has an extremely vast water area which is rich in aquatic product resources. According to incomplete statistics, there are now more than 20 million mu of beaches and shallow waters along the coast which are suitable for aquatic breeding development in all China with the exception of Taiwan Province. With the endless improvement of S&T methods, there will be a greater increase of utilizable areas. Our national aquatic breeding has a long history, but till the eve of liberation, the annual output of aquatic breeding in all China was less than 10,000 tons. The overall development of aquatic breeding, in fact, took place after the founding of new China, especially in the 5 years since the Third Plenum of the 11th CPC Central Committee. In other words, aquatic breeding is a rising new enterprise developed since the founding of new China.

In 35 years, the developing process of our national aquatic breeding enterprise can be divided into the following stages: kelps in the fifties, lavers in the sixties, mussels in the seventies, fish, shrimp and other sea delicacies at the beginning of the eighties.

However, as far as the scientific research and industrial technology of aquatic breeding are concerned, there is a considerable difference between the advanced countries and China. In order to catch up with the aquatic breeding of the advanced countries, the department concerned has stressed construction of complete sets necessary for the young fry from aquatic breeding and feed processing to construct a number of experimental bases, commodity bases, young fry areas and processing areas to lay a secure foundation for the future development of aquatic breeding.

12705

CSO: 4007/113

NATIONAL

## PRC'S AQUATIC PRODUCTS REPORTED RAPIDLY DEVELOPING

Beijing GONGREN RIBAO in Chinese 16 Aug 84 p 1

[Article: "Rapid PRC Aquatic Industry Development"]

[Text] Since the PRC was founded 35 years ago, and especially after the Third Plenum of the 11th CPC Central Committee, China's aquatic industry has achieved rapid progress. The 1983 output of marine and freshwater products throughout the country reached 540,000 tons and 1.42 million tons respectively, both ranked first in the world.

China has access to most favorable conditions and advanced technology for the development of the aquatic industry. There are 20 million mu of shallow waters along the coast and 75 million of the 250 million mu of inland waters, both suitable for fish breeding. China has a long history of breeding fish. During the Spring and Autumn period, Fan Lai, a senior minister of the Yueh State, was the author of the "Book of Fish Culture," the first book ever written on the subject of fish culture. However, since the superior conditions were not fully exploited, fish breeding remained in a primitive stage, regular output being scanty and yield very low. On the eve of liberation, the gross value of the domestic output of marine and aquatic products fell short of 10,000 tons. Since the PRC was founded and especially after the Third Plenum of the 11th CPC Central Committee, the country's immense seas, inlets and inland waters have been developed as breeding grounds. Aquatic output has gone up by leaps and bounds year after year. In 35 years, marine and aquatic output has increased 54-fold, with the 1983 output of freshwater fish up by 87 percent over that of 1978. Last year 54 counties each yielded 5,000 tons of freshwater fish as compared with only 17 in 1978. The output of 364 counties doubled.

Both the quality and variety of aquatic products have improved over the years. Besides the four traditional staple varieties, such as black carp, grass carp, silver carp and big head, there are nine more. These are: flat silver carp, bream, mud carp, pouch red carp, etc. Imported improved varieties include: Clupea pollasiis, white carp, rainbow trout, etc. The four bivalve mollusks of the past, mussels, clams and oysters are now augmented by scores of other aquatic products such as kelp, seaweed, sea cucumber, silver salmon, etc. In the past, fish breeding had to depend on captured fries, but now most fries are raised artificially. In the first half of this year, the gross value of

the domestic output of artificially raised prawn fries was up 69 percent over that of last year.

With aquatic production techniques making advances by leaps and bounds, the per unit area output has been rising higher and higher. Since the PRC was founded, unceasing efforts to improve traditional aquatic production techniques have resulted in the development of intensive breeding and high-yield techniques. At present, fish ponds in the country already have multipurpose fish-breeding operations, such as raising compatible fish, catching and raising by rotation, integrating mulberry or sugarcane plantations with fish ponds, combining fish breeding with cattle raising, etc. In recent years conducting experiments on the application of high-yield techniques to adjacent fish ponds with a total area of 10,000 mu has resulted in achieving a record average of 1,245 jin per mu. The development of the aquatic industry has contributed positively to solving the problem of the fish shortage in urban and rural areas, restoring the ecological balance of nature and establishing beneficial cycles in nature. At the same time, fish breeding has become an important source of getting rich for the vast rural areas. For example, in Donggou County, Liaoning Province, of 63 households engaged exclusively in raising shrimp in Tongkou last year, 40 earned over 10,000 yuan.

12661

CSO: 4007/1

NATIONAL

#### RURAL PRODUCT MARKETING PRICES DEFINED

Beijing ZHONGGUO XIANGZHEN QIYE BAO in Chinese 14 Sep 84 p 1

[Article: "How the Sales Price for Rural Enterprise Product Is Formulated"]

[Text] Most rural products are currently produced and sold by the rural enterprises themselves, and the sales price for such products is generally the one set by the enterprises or agreed on by both the producers and purchasers. But whichever price a production enterprise adopts, it must be arrived at through scientific calculation and analysis.

Put simply, the price of the commodity should be set as a result of analysis and calculations based on such factors as production cost of the product, cost-profit ratio, tax rate (referring to the business tax, product tax and appreciation tax) and management expense index as well as technical parameters and market trends for product. According to present institutional provisions, the formula for calculating the product sales price is:  $\text{sales price} = \text{production cost} \times (1 + \text{cost-profit ratio}) \div (1 - \text{tax rate} - \text{management expense index})$ .

For example, suppose the production cost of a certain product is 100 yuan; the cost-profit ratio is 10 percent; the tax rate is 5 percent and the management expense index is 1 percent. Plugging these figures into the above formula would give:  $100 \times (1 + 10\%) \div (1 - 5\% - 1\%) = 117.02$  yuan. Through the calculations we learn that the sales price for this product is 117.02 yuan the marketing cost is 100 yuan, the sales tax is 5.85 yuan, management expense is 1.17 yuan and the sales profit is 10 yuan, as the cost-profit ratio is 10 percent.

12513

CSO: 4007/47

NATIONAL

# QUESTIONS ON COTTON PROCUREMENT POLICY CLARIFIED

Beijing ZHONGGUO NONGMIN BAO in Chinese 18 Sep 84 p 1

[Article: "Official of Cotton and Hemp Bureau, Ministry of Commerce, Discusses This Year's Cotton Procurement Policy and Related Matters; Implement Ratio Added Prices -- Inverted 2:8 in North, Straight 4:6 in South; Adopt Procurement Method of Dividing Work, Fixing Locations, Appointing Times and Certifying Sales to the State"]

[Text] As reported before, the Ministry of Commerce would like this paper to respectfully inform the mass of cotton farmers that all cotton grown this year will be procured and that they need not worry about not being able to sell it all. New cotton has now gone on the market and an official of the Ministry of Commerce's Cotton and Hemp Bureau made the following comments regarding this year's cotton procurement policy and provisions and requirements for selling cotton to the state.

1. There have been some adjustments this year to the cotton procurement policy. Relevant documents of the State Council provide that ratio added prices will be in effect throughout the country beginning with procurement of the new cotton crop; the cotton-growing regions in the north will implement a reversed 2 to 8 ratio added price (20 percent at list price, 80 percent at added price) and the cotton-growing regions in the south will implement a straight 4 to 6 ratio added price (60 percent at list price, 40 percent at added price); the cotton-growing regions in the north will abolish the 5 percent above-price subsidy; awards for excess sales of each jin of ginned cotton will be changed from 2 jin of grain to 1.5 jin; restrictions on substandard cotton will be relaxed and diverse channels of operations will be permitted, but when the state procures substandard cotton it will not be at added prices nor will there be grain and fertilizer awards.

2. Conscientiously resolve the "cotton-selling difficulties." The means of producing cotton and selling it to the state changed greatly after implementing the contract responsibility system in the rural areas. First, cotton sales have changed from sales by production teams and collectives to sales by contract households. The number of cotton-selling households throughout the country has grown from the original 1.5 million-plus to more than 51.3 million, which is a 33-fold increase. Second, due to successive years of bumper harvests, the amount of cotton procured has grown from approximately 40 million

dan to 90 million dan, which is a 1.2-fold increase. Thus, "cotton-selling difficulties" have appeared in some cotton growing regions. The fundamental requirements laid down for the cotton-procurement stations this year by the Ministry of Commerce are that in order to organize the work well and balance the procurement in a planned and organized manner they must complete procurement of the cotton on the day appointed for it to be sold and the cotton money paid in full. In order to reduce the waiting period, it is required that all localities practice the method of dividing the work, fixing the locations, appointing times and certifying and balancing sales to the state, as well as appropriately extending the procurement period. At the same time, it is required that the cotton-selling masses sell their cotton at the time and place arranged by that locality's cotton procurement station and conscientiously uphold the cotton-selling sequence.

3. The quality of the cotton sold to the state must be assured. We must do a good job of fire prevention and guarantee the cotton will be secure.

12513

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NATIONAL

# LIVESTOCK INDUSTRY SEES INCREASED OUTPUT VALUE

Beijing ZHONGGUO NONGMIN BAO in Chinese 18 Sep 84 p 1

[Article: "China's Livestock Industry Output Value Shows Average Yearly Increase of 8.8 Percent; Exceeds the Rate of Expansion in Agriculture, Forestry and Fishery"]

[Text] There has been an increase in the rate of expansion in China's livestock industry in recent years and economic results have risen. In 1983, the output value for the livestock industry nationwide was 42.3 billion yuan (in 1980 constant prices), an increase of 52.7 percent over 1978; this was an average yearly increase of 8.8 percent, which exceeded the rate of expansion in agriculture, forestry and fishery.

In 1983, the slaughter rate of porkers increased 13.5 percent over that in 1978 and the average output of pork per porker was 127.4 jin; pork output nationwide was 26.32 billion jin, which was an increase of 63.4 percent over 1978. Expansion in the cattle industry was quite rapid; at the end of 1983 there were 78,084,000 head of cattle on hand nationwide, of which 951,000 were fine- and improved-breed dairy cattle; this was a one-fold increase over 1978. Beef output nationwide in 1983 amounted to 630 million jin, which was the highest output and largest increase ever. The output of cow's milk was 3.69 billion jin, which was more than a one-fold increase over 1978. Increasing the amount of beef and cow's milk was the first step to alleviating the contradiction of not being able to supply demand. Output of mutton and sheep's milk continue to increase. Total output of mutton in 1983 was 1.09 billion jin; output of sheep's milk was 750 million jin, which was a 3.2 fold increase over 1978.

There was a rapid expansion in the poultry-raising industry. In 1983 each peasant household sold or butchered for themselves 6.43 head of poultry on the average, which was more than a two-fold increase over 1978; egg production amounted to 33.04 jin, which was a 65.4 percent increase over 1978. The rapid expansion in the poultry-raising industry improved the short supply of eggs.

12513  
CSO: 4007/47



NATIONAL

# CONVERTING GRAIN TO FEED URGED

Beijing JINGJI RIBAO in Chinese 25 Sep 84 p 1

[Editorial: "Outlet Lies in Converting Grain to Feed"]

[Text] Leading comrades of the State Council have pointed out on several occasions recently that the fundamental outlet for grain which cannot be sold lies in converting it to feed and expanding the stock-raising industry on a large scale. An article in today's [25 Sep] newspaper relates how Jilin Province found an outlet for the excess grain from the bumper crops it has harvested for several years running by making great efforts to expand the feed, food and stock-raising industries. The spirit of this approach is well worth encouraging.

China's grain output has risen sharply in the last few years and has begun to change the situation of the past where for a long period of time expenditures were greater than income and we depended on imports to make up for shortages. However, there failed to be a corresponding expansion of the feed and stock-raising industries simultaneous with the expansion in grain production which would have further broadened consumption. This led to the serious situation in some areas where the grain "could not be procured, stored or transferred." It is our understanding that the amount of grain consumed as feed in the developed nations nowadays constitutes more than 50 percent of the total amount of grain consumed, while in China in 1983 the amount of grain consumed as feed amounted to only about 13 percent of total grain consumption. Per capita consumption of meat, poultry, eggs and milk in China today is still quite low compared to the developed nations. Basically, grain is still primary in the food consumption mix of the people, so we must speedily expand the feed and stock-raising industries and produce more meat, poultry and eggs. This is the area where there is the most potential. In Beijing, Tianjin and Shanghai municipalities, for example, grain consumed as feed amounted to 32-36 percent of total grain consumption in 1982. If feed consumption for the nation as a whole reached the level of the three large municipalities, it will require about 300 billion jin of feed grain per year, which will be 2-fold greater than at present. This shows that converting grain to feed is indeed a fundamental way to resolve the present grain-selling difficulties.

Of course we cannot reach the goal of converting grain to feed and expanding the stock-raising industry in one step. It will require a process and a lot

of work. For the present, we must pay special attention to policies and measures to guarantee the peasants that exchanging their grain for feed to raise hogs and chickens is more worthwhile than selling grain at excess purchase added prices. Last winter and this spring in some areas where there had been an increase in grain output, the major reason why we experienced an abnormal drop in the number of hogs on hand was because the peasants felt that raising hogs did not pay as well as selling grain. So we can see that only by successfully resolving the cash earnings problem of raising hogs and chickens can we make the peasants more enthusiastic about raising them, and thus promote the expansion of livestock raising and gradually have more of the surplus grain converted to feed.

12513

CSO: 4007/45

NATIONAL

INCREASE IN LIFE-SPAN, EDUCATIONAL LEVEL NOTED

Hangzhou ZHEJIANG RIBAO in Chinese 15 Sep 84 p 1

[Article: "Zhejiang Population Quality Gradually Increases in the 35 Years of the PRC: Average Life-span Rises from Less Than 40 Years to 69.5 Years, Those Over 80 Years Old Number 300,000, 54 People Celebrate 100th Birthday; Notable Increase in Educational Level"]

[Text] In the wake of expanding production, increasingly improving the people's livelihood, medical treatment and health conditions, and widespread launching of mass physical culture training in the 35 years since the founding of the PRC, the quality of the population in Zhejiang has gradually increased. The provincewide mortality rate has dropped from 14-plus per 1,000 in the early post-liberation years to 6.37 per 1,000 last year. The average life-span of the population was less than 40 years just after liberation; it has now risen to 69.5 years. The number of long-lived persons has doubled and redoubled. In 1953, there were 69,900 people throughout the province who were over 80 years old; 5 of them were over 100 years old. Statistics for 1982 show that there were 305,300 people over 80 years old, of whom 54 were more than 100 years old.

Remarkable changes have taken place in the educational quality of the province's population. The number of people with a college education rose from 28 per 10,000 in 1964 to 47 per 10,000 in 1982, which was a 67.9 percent increase; the number with a high school education rose from 112 to 519 per 10,000, which was a 3.63-fold increase; the number with a junior high school education rose from 425 to 1,779 per 10,000, which was a 3.19-fold increase.

12513  
CSO: 4007/45

NATIONAL

STEADY LIVEHOG, CHICKEN PRODUCTION POLICY URGED

Beijing JINGJI RIBAO in Chinese 26 Sep 84 p 1

[Editorial: "Stabilize Hogs, Expand Chickens"]

[Text] In the first half of this year the number of livehogs on hand amounted to 300.77-plus million head, which was an increase of more than 2.7 million head compared to the corresponding period last year. The fine turn of events in livehog production proves that with stable policies it is entirely possible to reverse the drop in hog production and bring about steady increases.

Pork is the main type of meat eaten in the urban and rural areas of China; the broad masses also like poultry and eggs. According to statistics, in the first half of this year the number of meat hogs slaughtered throughout the nation increased more than 6 million head over the corresponding period last year, fresh egg purchases increased more than 100 million jin and chickens were no longer in tight supply. However, we are still far from being able to meet the public's demand for pork, especially lean pork; some provinces still must ration supplies so the demand of the masses for chickens and eggs is great. To bring about a flourishing market and satisfy consumption, we must adopt further measures, steadily expand livehog production and devote major efforts to encouraging chicken raising.

Leading comrades of the central authorities have recently pointed out repeatedly that it will not do to rely solely on the crop-growing industry to double agricultural output; we must depend on a new economic structure to accomplish this. An important aspect of founding a new economic structure in the countryside is that we must speed up development of the livestock industry. Therefore, stabilizing livehog production, devoting major efforts to expanding chicken raising and at the same time organizing the development of other livestock products such as mutton and beef directly impact on reorganizing the rural economic structure and realizing a doubling of agricultural output.

The key to steady livehog production is to stabilize policies and enhance leadership. The fundamental reason why provinces such as Sichuan are able to sustain increased livehog production is that they have several policies and measures which encourage the peasants to raise hogs and which arouse their enthusiasm. In April of this year, the State Council, in a directive on stabilizing and expanding livehog production, set forth explicit stipulations regarding hog production, management, marketing and awards, and all

localities should conscientiously implement them. Once the policy is implemented and the producers and managers stand to profit, livehog production will certainly expand steadily.

The focus of work to expand the livestock industry in the countryside should be to devote major efforts to developing hog-raising and chicken-raising specialized households as well as sheep-raising and cattle-raising ones. For the most part, this type of specialized household is expert at raising livestock, is capable of engaging in fixed-scale specialized production, will save on investment and has lower costs and a comparatively high commodity rate. Since some specialized households are currently in straitened circumstances when it comes to fine breeds, feed, epidemic prevention, transport and sales, all localities should take strong action, set up diverse social services and support the development of specialized households. In addition, we must promote appropriate expanded operational scale and set up large stock-raising households which raise up to 100 head of hogs and 1,000 chickens to break out of the circle of family sideline occupation, and change the situation where each household or family raises only a small number, and where all of them raise livestock when conditions are favorable and none do when conditions are bad.

Devoting major efforts to developing the stock-raising industry is the foundation of stabilizing hogs and expanding chickens and is the prerequisite for expanding the livestock industry on a large scale. Only by changing the traditional extensive method of raising stock, paying attention to the science of nutrition and using various kinds of compound feeds will we effectively increase the daily gain of stock and poultry, shorten the fattening period, increase hen-day egg production, and thus greatly increase the commodity rate. China's feed industry has flourished in the last few years as many departments and rural collectives have set up feed processing plants and have produced various mixed feeds. But this is only the very beginning; we still need to devote major efforts to development. We especially should pay close attention to setting up the feed industry on-the-spot processing and converting grain to feed in regions where the increase in grain output is rather large. This would solve the "grain-selling difficulties" and expand hog and chicken raising as well. All localities must strengthen leadership of the feed industry, pay attention to overall planning and rational distribution, guarantee quality and make things easier for the masses. We can forecast that there will be a rapid increase in the amount of hogs, chickens and other stock and poultry if the nation as a whole is able to convert several hundred billion jin of grain to feed.

An important step in promoting livehog production and expanding chicken raising is to appropriately encourage consumption. Production, circulation distribution and consumption are four inseparable links in the reproduction process. Consumption affects production in turn. Present per capita meat consumption in China is quite low; we should study and make surveys, formulate appropriate pricing policies and stimulate and promote consumption of meat, poultry and eggs by the public. We must vigorously expand meat processing, produce various kinds of prepared meats and reprocessed eggs, and satisfy the consumption needs of the people. In short, opening up various consumption channels and striving to raise consumption levels definitely can advance the cause of hog and chicken raising.

NATIONAL

## CONSTRUCTION OF GRAIN, COTTON, FRUIT STORAGE FACILITIES URGED

Beijing JINGJI RIBAO in Chinese 26 Sep 84 p 1

[Article: "Speed Up Construction of Grain, Cotton, Fruit Storage; Ministry of Commerce Vice-Minister Pan Yao Offers Five Suggestions"]

[Text] In order to rapidly expand commodity production in the rural areas of China and greatly increase agricultural produce and farm sideline production storage capacity, we must fully mobilize the various forces, actively reform the capital construction management system and speed up the building of grain, cotton and fruit storage facilities. This is what Ministry of Commerce vice-minister Pan Yao [3382 6674] said at the ministry's recently concluded conference on the "three storages" construction work.

According to materials provided by the conference, since the State Council approved 2 billion yuan in funds to speed up construction of the "three storages," only one-third of the "three storage" construction projects in the annual plan have been completed in the various localities this year. It will be difficult to fulfill this year's construction plan if strong action is not taken. To counter this situation, Pan Yao offered the following five suggestions on how to reform the present commercial capital construction management system and speed up construction of the "three storages." First, we must change the situation of unrestrained spending and eating from "the same pot" which obtained in the past, resolutely change the method of the state drawing on public finances to fund capital construction projects to making use of bank loans, and use the economic level to speed up construction of the "three storages." Second, we must pool all available funds for capital construction and use them, finish one project before starting another and cut down on "foolish" projects. Third, we must further implement and continually perfect an economic responsibility system the heart of which is investment contracts, reduce the construction time and increase project quality and investment results. Fourth, we must change the separation of storage and processing as existed in the past and link the packing, transport, processing, storage and wholesale facilities in the circulation sphere into an organic whole. Fifth, we must adopt the approach of pooling resources, integrating operations and supporting enterprises run by the local people, and change the past method of relying solely on state investment to construct storage facilities, in order to mobilize the various forces and ensure that "three storage" construction tasks will be completed on schedule.

12513  
CSO: 4007/45

NATIONAL

PREPARATION FOR FALL CROP STORAGE WORK URGED

Beijing JINGJI RIBAO in Chinese 26 Sep 84 p 1

[Article: "Ministry of Commerce Notifies All Localities To Prepare Early and Do Their Best in Fall Grain Storage Work"]

[Text] The "Circular on Doing a Good Job of Fall Grain Storage Work" issued by the Ministry of Commerce points out that this year will be another good year for fall grain production in the various localities throughout the nation. In order to avoid such serious problems as peasant grain-selling difficulties and state grain-storage difficulties, the "Circular" asks the grain departments in the various localities to conclude preparations early and try to gain the initiative.

The "Circular" said that grain presently stored in the localities already greatly exceeds storage capacity and that it is difficult to transfer out the grain from the primary production regions in a short time. All localities must fully take into account the various problems which could crop up during the fall grain storage work, conscientiously enhance leadership, actively open many channels of operations and expand "parity to negotiated" grain sales on the one hand, and on the other hand base themselves on on-the-spot storage and guarantee that the grain will be safely stored. The Ministry of Commerce's "Circular" put forward specific requirements on how to do a good job of preparing the warehouses and goods yards and actively launching a program of "people storing grain for the state," guarantee the quality of stored grain and carry out the work safely.

12513  
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2 May 1985

GUANGDONG LEADS IN INDIVIDUAL COMMERCIAL HOUSEHOLD GROWTH

Beijing ZHONGGUO NONGMIN BAO in Chinese 13 Nov 84 p 1

[Article: "Individual Commercial Households Increasing in Rural Areas"]

[Text] The development of individual commercial households throughout China has been speedy and vigorous. Only in the 3d quarter of this year has there been an increase of more than 100 households, which is 90 percent of the overall growth of the individual commercial households in both urban and rural areas. Up to the 3d quarter, the total number of working members of more than 61.25 million individual commercial households in the rural areas of all China is 8.42 million, which is about 77 percent of the 11 million working members of the individual commercial households in both urban and rural areas in all China. This statistic was obtained by the reporter at the administrative working conference on individual industry and commerce of all China and the cooperative management organization convened in Guangzhou, starting the 11th of this month. It is reported that in the 4th quarter, the individual commercial households in the rural area will still maintain the good tendency of continued growth.

Since the 3d Plenum of the 11th Party Central Committee, especially after the implementation of the Document No 1 of the Central Committee this year, the authorities everywhere have relaxed the policies, simplified the procedures of registration, investigation and approval and extended the objectives of work and the scope of management in order to carry out the speedy development of the individual commercial households in all the rural regions and the cooperative management organizations. Individual industry and commerce of Guangdong Province have developed fast and flexibly; it is in the forefront of all China. The said province has gone one step further to relax the administrative scope, and it is allowed to have one trade as a major and to conduct concurrent operations in similar trades; the form of management is that retail is a major business with wholesale as a concurrent one whereas the wholesale can be the major with retail as a concurrent business. It is also permissible to run the imported commodities which are approved by the policy, and it is allowed to act as a purchasing agent as well as a marketing agent or to have the store at the front with the factory at its back. Now, the number of the individual commercial households in the entire province has reached more than 580,000, the number of persons is more than 770,000, the gross sum of funds is 440 million yuan and the turnover is more than 120 million yuan. The business



turnover of the individual industry and commerce is 15 percent of the retail turnover of social commodities.

In order to do service work well and protect the legal rights and profits of the individual workers, now the administrative conference on the individual industry and commerce of all China and the cooperative management organization has been convened by the Administrative Bureau of the State Industry and Commerce Administration. It will exchange the experiences of all localities, and at this conference the "administrative methods of urban and rural individual industry and commerce" will be discussed and revised.

12705

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2 May 1985

# EXTENSIVE DEVELOPMENT OF FODDER INDUSTRY DISCUSSED

Beijing ZHONGGUO XIANGZHENQIYE BAO in Chinese 16 Nov 84 p 1

[Commentary: "Fodder Industry Development"]

[Text] In recent years, there have been developments in China's fodder industry, but in view of its general aspects, it is still in the initial stage, with only an inadequate foundation and a poor base to start with. It is especially necessary to make major efforts for its development. Township enterprises should vigorously stress developing the fodder-processing industry. At present, this problem has not attracted enough attention from the leaders concerned in some localities. These leaders do not have sufficient understanding of the importance and urgency of the extensive development of the fodder industry. Instead of actively thinking and seeking ways and means to work, they only passively wait for the suitable conditions to appear and emphasize difficulties, so no breakthrough can be found for a new situation for developing the fodder industry.

The fodder industry not only develops the base of animal husbandry but also reforms the rural industrial structure. It promotes the overall development of farming, forestry, animal husbandry, sideline production and fishery as well as the comprehensive management of agriculture, industry and commerce. It is also an important and indispensable link for the further development of rural commodity production. In the rural industrial structure, from now on, animal husbandry will still be an important industry in spite of the fact that at present it is "a short leg," that is, still slow in development. To modernize animal husbandry, we must first make practical developments in the fodder industry; thus, it will be possible to transform grain and various fodders into meat, milk and eggs in order to gradually change people's food composition, consequently satisfying the people's need to improve their material life. Furthermore, in view of the situation of our nation's agricultural development, especially that of grain production, if major force is not applied to develop the fodder and food industries, agricultural production will be limited and the good trend of continuing grain production increases cannot be maintained. So, to develop the fodder industry vigorously is not only an urgent necessity for the further development of animal husbandry and breeding but also an important function of promoting the restructuring of rural industry and the overall development of the national economy.

Currently there are many advantageous conditions for extensive development of the fodder industry. The development of farming, forestry, animal husbandry, sideline production and fishery as well as S&T progress have supplied more and better material for the development of the fodder industry. The fodder industry is not only grain, forage grass, refuse, cake dregs, bran and slop but also several hundred new kinds of fodder with all values coordinated. Experience both at home and abroad has proved that due to the extensive use of various additives in this coordinated fodder, it has achieved much better results than ordinary fodder in feeding animals and fowl. It is more advantageous to the situation that because of the continuous bumper grain harvests in all China and the "hard to sell" problem everywhere, finding outlets for the big quantities of surplus grain is urgent and the best outlet is to have the grain dispersed locally. The fodder industry should be developed vigorously; it is important to speed up the development of animal husbandry so that it--the short leg will be able to join the other enterprises in coordination to develop together as fast as possible.

The key to the extensive development of the fodder industry is to quickly transform the present situation of running the fodder industry at a loss and thus to increase the industry's inner vitality. To achieve this, not only must fodder processing enterprises implement "internal contracting and maintaining external ties," pay close attention to technological restructuring, make efforts to lower production costs and to continuously raise economic results; but also, the departments concerned should further relax policies, expand the supply of parity grain, and support township enterprises and specialized households. Special attention should be paid to the large specialized households, the large combined households and specialized villages; roughly processed fodder with parity grain should be sold to the peasants to develop animal husbandry. If the fodder is processed from higher priced grain, the departments concerned should consider a suitable readjustment of revenue policy and exempt the processing industry and the specialized households from the industrial and commercial tax. Furthermore, a certain amount of compound fertilizer could be allocated to the fodder-processing sector in exchange for part of the cake dregs, which are good fodder used as fertilizer, with the price being handled according to the principle of "low against low, high against high." Generally speaking, the state and the cities will not contend for profits with the peasants so that fodder processing will be able to make profits, and consequently can really be developed.

The essence of the extensive development of the fodder industry is to further break down the isolated situation of running the industry by the state alone and instead, have this industry managed by the state, collectives and specialized households; this is the plan to let large, medium and small industry to work at the same time. From now on, the state will run only those large fodder-processing factories which are unsuitable to be run separately, which demand higher technology, which have small demand and a large initial investment. As for coordinated fodder, medium and small fodder-processing factories which have a smaller investment and need simpler techniques will be managed jointly by township enterprises or the peasants, or managed by large specialized households or specialized villages. If fodder processing is

done in rural regions, the raw material can be obtained locally and the product sold locally as well. Thus, it will not only greatly reduce the waste of manpower, material resources and wealth, and save much transportation expense, but it also will be advantageous for speeding up the development of the fodder industry and open up a new situation of the flourishing development of fodder industry.

12705

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## CHINA MAKES MOST FARM MACHINES

Beijing GONGREN RIBAO in Chinese 28 Aug 84 p 1

[Article: "Farm Machinery Industry Progress Cited"]

[Text] Since the PRC was founded 35 years ago, its farm machinery industry has rapidly developed from nothing to something. According to statistics, in 1983 there were 2,192 farm machinery manufacturing enterprises throughout the country above the county level, employing 1.11 million people (including 54,000 engineers and technicians), 214,000 tooling, smelting and rolling machines as well as holding 9.44 billion yuan in fixed assets. These constitute dozens of trades dealing in tractors and internal combustion engines as well as in machines for farming, harvesting, irrigating, cattle raising, the forestry and fishery industries, etc., totaling over 2,300 kinds of products. At present, most farm machines needed in the rural areas can be manufactured domestically. The gross value of farm machinery output in 1983 was 8.35 billion yuan, the highest on record, being 147-fold that of 1952 and averaging over 17 percent in progressive annual increases.

In conjunction with the development of the farm machinery industry, there are 2,100 scientific research institutes for designing farm machinery throughout the country, employing over 1,400 scientists and technicians. They are able to study and design various kinds of farm machines according to rural China's characteristics and natural conditions. In addition, there are over 60 institutions of higher learning with farm machinery departments where nearly 7,000 graduate each year. Intermediate-level colleges offering courses in farm machinery also train and supply large numbers of personnel specializing in farm machinery. Following the development of farm machinery production, a functionally integrated nationwide network of 2,500 outlets for farm machinery and after-sale service stations has appeared. Extending and reaching out from this distribution and servicing network are over 11,000 points attended by 100,000 workers. Moreover, nearly 2,000 repair and servicing stations hiring over 280,000 people spread all over the vast countryside.

Over the past 35 years the farm machinery industry has provided agriculture with a vast amount of technological equipment. By the end of 1983, the country's total farm machinery power had reached 245 million horsepower, being 980-fold that of the 1952 gross. Other items included 840,000 big

and medium tractors, 2.75 million small tractors and farm irrigation machines of nearly 80,000,000 horsepower as well as 3.72 million sets of tool machines for processing rice, wheat, flour, oils and cotton.

The development of the farm machinery industry has provided China with an impetus for carrying out farming in the right season and for resisting calamities and pests. In 1978, hundreds of millions mu of farmland throughout the country were affected by disasters and drought that continued for 152 days. The 11 affected provinces and municipalities including Jiangsu, Anhui, etc. used diesel engines of 21 million horsepower and 10 million watts of electric motors to power water pumps which pumped over 170 million m<sup>3</sup> of water to irrigate the farmland, equivalent to threefold the annual flow of the Yellow River. In that year of serious drought, bumper grain and cotton crops as well as increased output were eventually won.

12661

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2 May 1985

# CHINA'S CHEMICAL FERTILIZERS BOOST FARM OUTPUT

Beijing GONGREN RIBAO in Chinese 21 Aug 84 p 1

[Article: "PRC Chemical Industry Progress Noted"]

[Text] Since the PRC was founded 35 years ago, its chemical fertilizer industry has developed rapidly. According to statistics of relevant departments, China's gross annual output of chemical fertilizers had reached 13.78 million tons by the end of 1983, 2,416-fold greater than the 570,000 tons in the early stage of liberation. Calculated on the basis of domestically manufactured chemical fertilizers, the application of 10.3 kg per mu would be 380 times greater than the 0.027 kg registered in the initial stages of liberation.

"Growing crops well depends primarily on fertilizers." This indicates the importance of chemical fertilizers to agricultural production, showing how manuring can significantly increase farm output. However, before liberation the PRC's chemical fertilizer industry consisted of only two nitrogenous fertilizer factories with a peak annual output of over 5,700 tons at most. Phosphorus and potassium fertilizers were totally nonexistent. After liberation, the production of chemical fertilizers began to develop rapidly. At present, rationally distributed industrial departments of fairly large magnitude, combining large, medium and small projects have been set up. By the end of 1983, over 2,200 chemical fertilizer plants above the county level were in operation in the provinces, municipalities and autonomous regions throughout the country, while the total output of chemical fertilizers had reached 13.78 million tons. The production of chemical fertilizers has progressed from the nitrogenous type to categories including phosphorus, potassium, humus, acids, microelements, compound fertilizers and other varieties. The development of chemical fertilizer production has vigorously promoted increases in farm output. According to the most conservative estimates compiled by relevant departments, one-third of the country's grain output is derived from the application of chemical fertilizers.

The chemical fertilizer industry depends on the use of naturally occurring matters as raw materials for processing purposes. In the early stage of liberation, China was backward in technological equipment and had to use coke as the raw material for making chemical fertilizers in limited quantities and varieties. With the raising of the technological level and renovating of facilities, raw materials such as anthracite, natural gas, light and heavy oils and others can be used to produce chemical fertilizers in large quantities and a greater variety.

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2 May 1985

# FORESTRY INDUSTRY REPORTS RAPID DEVELOPMENT

Beijing GONGREN RIBAO in Chinese 23 Aug 84 p 1

[Article: "Forestry Production in 35 Years"]

[Text] Since the PRC was founded 35 years ago, its forestry industry has rapidly developed from a small scale to a large one, not only bringing to an end the situation in which lumber was exchanged for finished products but also paving the way for its products to enter the world market. The forestry industry thus plays an important role in socialist construction.

China's forestry industry has a long history. Before liberation, however, its development was extremely slow. The lumber-processing industry had only two categories of products, sawed lumber and plywood board. Production facilities were simple and crude while the standard of mechanization was very low. The output of forestry products and their variety were small and production techniques backward. Most products had to be imported.

China's forestry industry has gained considerably over the past 35 years since the country was founded.

--Both output and variety have increased. Compared with 1949, the output value of the forestry industry in 1983 was 36-fold greater than 1949. The output value in 10 days now equals that of the entire year of 1949. The resin output has increased 30-fold over the early stages of liberation, reaching 400,000 tons in 1982 and being the first in the world. The output of Ailanthus gum is 427-fold greater. The output of sawmills, a major lumber-processing item, is nearly fivefold greater than before with that of plywood board over 22-fold greater.

--Increase in product varieties. Lumber processing has shifted from mainly lumbermaking to multipurpose use of timber, with output of major products tripled. Various product categories have also added many new varieties. For example, while plywood was produced in a single category to serve general purposes, it can now be used in planes, ships, vehicles, textiles, scientific instruments and other high-class applications, as well as for waterproofing and cement molding purposes, etc. Particle board is widely used in furniture, construction, vehicles and ships as well as for repairs. Many new forestry and chemical industries have been successively set up



with forestry and chemical products increasing from the 21 categories in the early stages after the PRC was founded to the present 120.

--The technological level of production has been raised by stages. The forestry industry has actively brought in new foreign technology, apart from unceasingly raising the technological level of production and the capacity for manufacturing equipment, so as to basically mechanize the transportation of all kinds of materials for lumber-processing mills and products and to eliminate clumsy manual labor. The technology and technical equipment have improved significantly. Automation has been introduced for fiberboard manufacturing, plastic veneer manufacturing, and direct photo-printing, and so on, while semiautomation is used in other processes. In some production segments, television monitoring, silicon controlled rectifier technology as well as infrared ray and efflux technologies are employed to greatly raise the lumber utilization rate.

At present, China's forestry industry has initially succeeded in forming a relatively integrated system in which scientific research, design, equipment manufacture and production are interrelated to lay the foundation for the further development of its forestry industry.

12661  
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NATIONAL

PEASANTS FROM EAST MOVE WEST TO EARN LIVING

OW110930 Beijing XINHUA in English 0800 GMT 11 Apr 85

[Article: "Peasants Seek Their Fortunes in Wild West"]

[Text] Xining, April 11 (XINHUA)--Large numbers of peasants from economically-developed Eastern China and Sichuan Province are pouring into remote western areas to earn a living, say local officials.

They have found Qinghai, Tibet and Xinjiang viable areas for selling goods, building houses and roads, making furniture and clothes and providing other services.

The main railway station at Xining, capital of Qinghai Province, recorded more than 60,000 such peasants entering Western Qinghai and Tibet in the first quarter of this year.

The station manager said this represented a 30 percent increase over the same period of 1984.

Officials refer to these peasants as "migratory," because they usually return to their home provinces in winter.

Among the 60,000, 10,000 were from Sichuan, and the rest from Coastal Jiangsu and Zhejiang Provinces, which have limited farmland available for their large populations.

Peasants from these areas are being encouraged by the government to move and take up jobs other than farming.

Vast but sparsely-populated Qinghai Province, and Tibet and Xinjiang Autonomous Regions, are regarded as ideal markets to absorb this surplus rural labor.

Peasant construction teams are now competing with state-owned firms in many towns and cities in North-western China and Tibet.

Individual peasants offering special services, such as tailoring, shoe-making, hairdressing and repairing electric appliances, are becoming powerful rivals of state-owned shops.

NATIONAL

#### AERIAL SEEDING HELPS CHINA RECLAIM DESERT LAND

OW271734 Beijing XINHUA in English 1509 GMT 27 Mar 85

[Text] Shijiazhuang, March 27 (XINHUA)--China has made initial successes in anchoring desert by using planes to spread seeds of drought-resistant plant varieties.

One example is the Tengger Desert in Western Inner Mongolia, where an oasis of 9,300 hectares has been created by aerial spraying of grass seeds, according to a recent national work meeting here.

Experts regarded this achievement as of great significance to reclaiming the country's vast deserts for a better ecological balance.

The 30,000 sq km Tengger Desert has an average annual precipitation of less than 150 mm. Aerial seeding of oleaster and sand wormwood plant varieties was carried out after its eastern fringe was designated an experimental zone in April 1981.

Now the shifting sand dunes in the zone have been effectively anchored by tall grass. The vegetation cover rate has risen from 0.2 percent to 31 percent, and the fodder grass output has increased from 42.8 to 1,077 kg per hectare. The height of sand dunes has been reduced by up to 100 centimeters.

Aerial seeding has also been successfully carried out in semi-desert in the Xinjiang Uygur Autonomous Region, where the average annual precipitation is 250 mm.

Since 1979, the official said, China has seeded more than 433,000 hectares of grass from the air on an experimental basis.

Large-scale grass planting is also being carried out by teams on the ground.

The area of such reclaimed land was 1.8 million hectares in 1984, 530,000 hectares more than in the previous year.

The figure brought the country's total reclaimed desert land to 4.86 million hectares.

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NATIONAL

SCIENTIFIC EXPLOITATION OF LAND RESOURCES URGED

Beijing NONGYE JISHU JINJI [ECONOMICS FOR AGRICULTURAL TECHNOLOGY] in Chinese No 1, Jan 84 pp 1-6

[Article by Liu Zhicheng [0491 1807 3397], Zhou Wei [0719 4850] and Huang Bufan [7806 0008 0416], of the Chinese Academy of Agricultural Sciences: "Scientific Exploitation and Utilization of Land Resources Is a Fundamental Task in China's Agricultural Development Strategy"]

[Text] The 12th CPC National Congress put forward the strategic goal of quadrupling China's total annual industrial and agricultural output value by the end of the century. According to estimates, this calls for a 180 percent increase in total agricultural output value. Even if our total grain output could exceed 1 trillion jin by the end of the century, its value would still be less than one-fifth of the required total output value. Obviously, to double agricultural output, we certainly cannot rely only on crop-growing, still less on grain production. We must rely on diversified undertakings, on livestock breeding and aquaculture and on forestry and fruit farming. "Land is the mother of wealth," the most fundamental means of agricultural production. Scientific exploitation and utilization of land resources, fully tapping the production potential of cultivated and uncultivated land and continuously increasing the economic benefits derived from land--this is the fundamental way to double agricultural output and the fundamental task in our agricultural development strategy.

I. While we must first of all aim at making full use of the existing cultivated land to bring out its multiple production benefits, we must not rely only on the cultivated land and neglect the exploitation and utilization of nonarable land resources.

The present utilization ratio of China's 14.4 billion mu of land is not high. The productive rate of the land is also rather low. Cultivated land accounts for only 10.4 percent of total land area, forest land accounts for 12.7 percent, and, adding the grassland, grass hills, grass slopes and water surfaces already put to use, the total is still less than one-third of the

country's territory. The combined production capacity (grain, industrial crops, etc.) of our cultivated land is one-fourth to one-third lower than that of the developed European countries, and the production capacity of grasslands and water surfaces is several times to dozens of times lower. Land uses have great potentialities both in depth and in breadth.

Of China's 1.5 billion mu of cultivated land, 92 percent is concentrated in the southeast, which constitutes less than one-half of the country's total land area. This is also the region where economic installations are most concentrated. Ninety-five percent of the Chinese people's food and clothing items and about two-thirds of the raw materials for the light and textile industries derive directly or indirectly from cultivated land. Therefore, the size of cultivated land per capita and the cultivated land's utilization and productivity will for a considerably long period of time have a direct bearing on China's agricultural development and national economic construction. In the present stage, we should give priority to the agricultural regions, pay attention to developing cultivated land and production of grain and industrial crops and, at the same time, strive to develop forestry and animal husbandry in the agricultural regions. This is objectively necessary, economically rational and a safe step to take.

We stress the importance of developing cultivated land, but we must not ignore or underestimate the role and function of our vast nonarable land resources in our long-range agricultural development strategy. China has a large population but limited farmland, and there is not enough arable land in reserve. It will be difficult for the people to become comparatively well off by the end of the century if we rely on 1.5 mu of farmland per capita (which is bound to become even smaller in the future). It is also rather difficult to maintain balance and harmony between the production system and the ecological system on areas of this size. At the same time, since the implementation of the system of contracted responsibilities with remuneration linked to output in the rural areas, it has also become necessary to find employment for the surplus farm labor which accounts for about one-half of the rural labor force. Therefore, the exploitation and development of the vast mountainous areas, hilly lands, grasslands, water surfaces, sea areas and beaches in a planned way to open up new spaces for production of food and raw materials, develop new production fields and rationally use our territorial resources is an important strategic measure for building a benign ecological and production system and solving the problem of surplus rural labor force, also a matter of major significance concerning the long-range interest of our country's agricultural and economic development.

Besides forest lands, China's nonarable land includes 3.3 billion mu of usable grasslands, 1 billion mu of grass hills and slopes in the south, 400 million mu of freshwater surface (75 million mu suitable for aquaculture), 30 million mu of beaches along the coast and 2.3 billion mu of continental shelf. There are also 1.8 billion mu of wasteland, of which 1.2 billion mu can be afforested and 500 million mu can be developed for agriculture and animal husbandry. This makes a total of about 9 mu of nonarable land per capita and, adding cultivated land and forest land, about 12.3 mu of agricultural production space per capita. With such a ratio of living space between man and other living things, the future is bright for China's agricultural development. Although at present the exploitation and utilization of nonarable land is limited by a series of natural technological and economic conditions, it has broad prospects. If by the end of the century most of our nonarable land, which can be used for agriculture, animal husbandry, forestry and fishery, is exploited and utilized step by step, our material wealth assuredly will be much greater than now.

If we rely on state financial support to exploit and utilize arable or nonarable land resources, the potential is limited. We must bring into play the initiative of the state, the collectives and the individuals, and particularly we must be able to see the masses' enthusiasm and latent capacity for exploitative production. We should encourage and support thousands upon thousands of peasant households to engage in exploitative production. For those who do, we should adopt flexible policies, enable contractors to receive real economic benefits and guarantee their economic interests. We should support them in commodity purchases, material supplies, transportation, bank credits, science and technology and so forth. In this way, it is possible to exploit and utilize our nonarable land resources at a much faster speed than expected.

## II. Protect and treasure our land resources, perpetuate their productive capacities.

Our arable land is limited. It not only must be fully and rationally used, but must be treasured and protected to perpetuate its productive capacities. Land is an exceptional means of production, an integrated body of natural resources. Its resources are at once limited and perpetually usable. The precondition for perpetual use is to strengthen protection, especially protection of the present cultivated land resources.

In the 30 odd years since liberation, China has reclaimed 490 million mu of arable land, and capital construction alone has occupied 460 million mu. In the last 25 years, our cultivated land has been decreasing year after year at an annual rate of about 7 million mu. If this continues, our arable land will be

reduced to 1.36 billion mu, and per capita arable land to 1.13 mu, by the year 2000. Such an eventuality not only will seriously hinder the realization of our agricultural goals, but will threaten the basis of our people's existence.

Therefore, we must first of all protect our arable land, treasure it, save it and strictly restrict occupation of farmland for non-agricultural purposes. This is the precondition for increasing the perpetual productive capacities of land resources and an important task in land management which must be properly handled. We must firmly stabilize the present area of cultivated land and, when possible, strive to expand it.

First, it is necessary to make a thorough investigation of our land resources, draw up an overall plan for land uses and rationally readjust the structure of land uses by agriculture and other sectors of the national economy according to local conditions.

Second, it is necessary to strictly forbid indiscriminate seizure of farmland. From now on, the appropriation of farmland each year should be strictly limited to under 5 million mu.

Third, it is necessary to reclaim wasteland that is suitable for agricultural use in a planned and systematic way so that there will be a net increase of farmland by 100 million mu within this century. On the condition that aquatic resources are protected, it is permissible to enclose tideland for suitable agricultural use, but building dikes to reclaim land from lakes is strictly forbidden.

Fourth, it is necessary to strive to open up and restore 100 million mu of farmland from land occupied for nonagricultural purposes. The main ways are: making scientific plans on village and township development, rebuilding old cities (adding storeys to buildings to reduce land occupied), putting land occupied by the mining industries and excessive land occupied by enterprises back to cultivation, and so forth. It is estimated that these measures can increase farmland by about 100 million mu.

In this way, the area of cultivated land can be indefinitely stabilized at around 1.5 billion mu.

The key to increasing the perpetual productive capacity of land lies in constant improvement of production conditions and increased material investment. According to analyses of data from some high-yield grain-producing areas in south China, the basic conditions for each mu of land to produce 1,000 jin of grain are as follows: An average of 50 to over 100 jin of chemical fertilizers are applied to each mu of land; the proportion of effectively irrigated area is generally about 80 percent of the

farmland; there are farm machines with a total power capacity of 18 to 20 horsepower for each 100 mu of farmland and so forth. Moreover, according to the experience of Yucheng, Shandong, on the Huang-Huai-Hai Plain in tackling the problem of low-yield fields in a comprehensive way, it required an investment of 70 yuan per mu and 6-8 years of work to increase per-mu grain output from 300 jin to 600 jin. The investment can be recovered in 1 or 2 years. It is thus clear that rationally increasing material investment according to the characteristics of different areas not only can improve the productive capacity of the land, but will bring markedly greater economic returns.

As the agricultural operating units in our country are switching mainly to contract families, the job of transforming farmland, improving its quality and bringing its potential into play falls on the thousands upon thousands of peasant households. To encourage the peasants to invest in land, the key lies in stable policies, not only convincing the peasants that their right to use the contracted land will remain unchanged for a long time to come, but enabling them to gain from their land investment. Only by repeatedly increasing material investment in land to increase its fertility and combine planting with conservation, will it be possible to maintain and improve the perpetual productive capacity of the farmland.

To protect land resources and increase the perpetual productive capacity of farmland, it is also necessary to pay attention to and step up water and soil conservation work. In areas of serious soil erosion such as the loess plateau in the northwest and hilly and gullied areas, it is necessary to follow the practice of combining biological and engineering measures with the stress on biological measures and the principle of tackling the problems concerning mountains, rivers, soil, grass, forests and farmland in a comprehensive way. It is necessary to develop crop-growing, livestock-breeding, forest and fruit farming and other diversified undertakings according to local conditions, combining farming, forestry and animal husbandry, with farming protected by forestry (bushes) and helped by animal husbandry, to continuously increase economic results. We should guide the peasants to foster the idea of making use of local resources while conserving them so that the resources can be used forever. In exploiting and using natural resources, we must be able to see the development and changes to the resources and the growth and decline of the favorable and unfavorable conditions and pay attention to both immediate and long-range benefits. We must take firm hold of the present while looking far into the future, and we must not kill the goose that lays the golden eggs or drain the pond to get all the fish, foolishly depleting the resources and giving no thought to posterity. Otherwise, it will lead to destruction of the ecological system and endless troubles for the future.



While protecting farmland and increasing its perpetual productive capacity, we must also protect forests, grasslands and other nonfarmland resources. We must firmly implement the "Forestry Law" and strictly prohibit indiscriminate felling of trees and destroying forests to reclaim farmland or graze herds, and we must also strengthen forest fire predictions and forecasts and fire-prevention and fire-fighting work. It is necessary to enact a "grassland law" as soon as possible to strictly control destruction of grassland resources and strictly forbid indiscriminate land reclamation and excessive grazing. It is necessary to determine the number of animals according to the quantity of grass and avoid excessive grazing and overburdening pastures to prevent grassland deterioration and increase grassland productivity.

Aquatic resources also need to be well protected. It is necessary to enact laws and regulations on protection of aquatic resources. We should make the change from ignoring resources protection onto the track of vigorously protecting and multiplying resources. It is necessary to shift from catching to artificial breeding. It is necessary to strictly control the intensity of inshore fishing and of fishing for economic fry, set catch limits and no-fishing areas and periods according to local conditions and prohibit the use of fishing gear that causes destruction to resources so that our fishery resources can be restored and developed. In building new dams and dikes, consideration should be given to protection of aquatic resources. Where aquatic resources have already been damaged by dams constructed, we should consider taking remedial measures.

III. Rationally arrange production of primary agricultural products, fully exploit the potential capacity of farmland and nonfarmland to increase output.

Agriculture's basic task is to produce primary products. The general orientation should be to develop crop-growing, livestock-breeding, forest and fruit farming and diversified undertakings according to local conditions, under the guidance of the principle "spare no effort in promoting grain production and actively develop diversified undertakings." Therefore, the proper organization and arrangement of the production and geographic distribution of primary farm, forest, livestock and fishery products are the key measures for fully tapping the potential of farmland and nonfarmland to increase output.

To bring into full play the potential production capacity of farmland, the first major task is to rationally readjust the production structure and distribution of crop farming. Readjustment of production structure and distribution is a highly comprehensive task. In order that crops with different developing periods can develop evenly according to a specific structure and distribution in a specific area of farmland, it is necessary

first of all to correctly handle the relationship between grain crops and industrial crops, the relationship between grain and industrial crops on the one hand and other crops on the other, and internal relations of each of them. Secondly, it is necessary to properly handle the relationship between a local superiority and an overall superiority. Thirdly, in determining the proportions between various crops, it is necessary to weigh the advantages and disadvantages in various respects, attaching importance to full utilization and active conservation of land resources while paying attention to getting the best possible economic results.

In the past 30-odd years, the proportional relations between grain crops, industrial crops and other crops have been roughly maintained at about 8:1:1. For some time to come, the three will continue to have a certain coordinated relationship. With increasing per-mu grain output, even though the proportion of grain crops in total sown area will gradually drop and the proportions of industrial and other crops may rise correspondingly, the changes will not be too big or too fast. According to preliminary estimates, of the total sown area in 1990 and 2000, the proportion of grain crops will remain at about 75 percent, industrial crops about 15 percent and other crops about 10 percent.

Obviously the emphasis in readjusting the internal proportional relations of the three categories of crops mentioned above is to place each of the crops in the most suitable growing areas and seasons under a rational cropping system in order to obtain a higher productive result and faster developing speed per unit land area and thereby satisfy the need of the state and people for various agricultural products.

Proceeding from this viewpoint, we think that in the structure and distribution of grain and industrial crops, the following steps should be taken with regard to grain crops: 1. On the premise that the area of cultivated land is relatively stabilized, we should stabilize the acreage of grain crops and readjust the structure of grain production, with total grain acreage not lower than 1.7 billion mu. 2. In the internal structure of grain crops, the acreage of high-yield crops such as rice, wheat and corn should be stabilized at not lower than 46-47 percent of the total grain acreage, and the output of these crops should be not lower than about 60 percent of total grain output. 3. It is necessary to suitably restore production of millet, sorghum and other miscellaneous food grains in some areas in the north, reduce the varieties which are low-yield and late-maturing and cannot be guaranteed to produce a good harvest and, at the same time, increase some crops which are more resistant to drought, water-logging and saline-alkali soil to withstand various kinds of natural disasters.

It is worth pointing out that in order to evenly distribute grain production throughout the country in an effort to reduce long-distance transportation of marketable grain and resales, with the exception of Beijing, Tianjin, Shanghai and other big cities, most provinces and regions should gradually become more than self-sufficient or basically self-sufficient in grain production and should pay attention to establishing different types of marketable grain production bases to increase the marketable proportion of the country's grain production.

In view of the rather serious contradiction between industrial crops and grain crops in competing for land, water, fertilizer and labor, we should, in readjusting distribution, strive to concentrate the industrial crops in an appropriate way according to local conditions and arrange for the growing of industrial crops in areas with the most suitable production and ecological conditions. For example, in the distribution of cotton production, the stress should be put on building up the Huang-Huai-Hai cotton belt, stabilizing the cotton areas on the plains along the middle and lower reaches of the Chang Jiang and gradually expanding the Xinjiang cotton belt, and the cotton fields in the hilly areas in the south and the extra early-maturing cotton-growing areas in the north should be properly reduced. As to the distribution of sugar crops production, we should properly control the acreage of sugarcane and reduce the sugarcane fields in northern Hunan and Jiangxi in a planned way, and we should expand the acreage of sugar beet in Heilongjiang, Nei Monggol, Xinjiang and other provinces and regions, paying attention to raising output per unit area to gradually increase the proportion of beet sugar in total sugar output.

To meet the requirements in developing animal husbandry, it is necessary in structuring and distributing crop farming to gradually include feed grain in our grain production plans. The proportion of feed grain should be increased in our total grain output. It is also necessary to rush-plant short-term feed crops such as silage corn and high-yield root tuber through crop rotation and reverse cropping. Development of green manure crops should be encouraged, partly to be used for feed, which livestock will turn into fertilizer.

Dryland agricultural areas make up about one-half of China's land under cultivation. These areas' production level is relatively low, and their productive conditions are relatively poor. Practice has proven that the only way to change the agricultural outlook in these areas is to vigorously promote grass and tree planting and develop animal husbandry. It is necessary to combine farming with forestry and animal husbandry and to make full use of limited water and fertilizer by such methods as increasing fertilizer application, manuring, mixed use of fertilizer and water, promoting farmland capital construction and so forth. The one-

crop farming (mainly grain) in these areas should be gradually turned into all-round development of farming, forestry, animal husbandry and sideline occupations, and extensive cultivation should be turned into intensive farming in order to establish the best kind of production structure and cultivation system.

For nonarable land, the emphasis is on developing forestry and fruit farming, livestock-breeding, gathering and hunting.

Forestry's task is to increase the country's forest cover from the present 12 percent or so to about 20 percent by the end of the century. To accomplish this, it is necessary on the one hand to accelerate afforestation of mountains and hilly areas which are suitable for forestry development and, on the other hand, to give priority to the development of the shelter forest system in northwest, north and northeast China and forestry bases in the subtropical hilly areas in south China. It is also necessary to continuously readjust the forest-species structure, gradually reducing the proportion of timber forests and fuel forests. At the same time, we should pay attention to the vast hilly and mountain areas, adopting measures according to local conditions to open up broad new sources of food and vigorously develop production of food and oil from woody plants and fruits and nuts. Moreover, full attention must be paid to utilization of our tropical resources, developing and establishing tropical crops production bases. Stable-and-high-yield rubber production bases should be established mainly on Hainan Island and in Xishuangbanna Prefecture. Vigorous efforts should be made to restore and establish coconut, spice and medicinal herb production bases.

Although for a rather long period to come livestock products will continue to be supplied mainly by agricultural areas, vigorous efforts must be made to speed up development of pastoral areas. It is necessary to step up improvement of grasslands in south and north China, formulate rational technical policies and make full use of the production potentials of grasslands in the north and grass hills and slopes in the south. While paying attention to hog raising, increasing hog-raising efficiency and stabilizing the present meat hog production level, it is also necessary to actively develop laying chickens, meat chickens, milk cows and other livestock which are highly efficient in turning feed into protein.

China also has great potential in developing fisheries. At present, it is necessary to implement the principle of combining catch with culture with the stress on culture, vigorously develop aquaculture, protect and multiply fishery resources, actively exploit pelagic fishing grounds and do an excellent job in maintaining the freshness and processing of catch to insure production quantity and quality.

In developing freshwater fishery, the stress should also be placed on culture. It is necessary to implement the principle of putting the emphasis on small water surfaces and intensive culture (each mu of water surface producing 200 jin of fish or more) and combine culture with catch, addition and seeding. Efforts should be made to expand the areas of aquaculture and improve the water surface conditions. In large and medium-sized lakes, reservoirs and rivers, the emphasis is on artificial breeding to multiply fishery resources, improving the regional species and monitoring and preventing pollution to gradually establish a benign ecological balance and constantly increase the productive capacity of water areas.

To fully tap the potential production capacities of arable and nonarable lands, we must also develop gathering, hunting, raising wild animals, growing special plants and so forth according to local conditions. So long as we are willing to think about more ways, give more thought to scope and quantity, adopt flexible policies, reduce restrictions and let the masses of peasants demonstrate their abilities, a new situation will emerge in the utilization of arable and nonarable land resources in our country.

IV. Carry out intensive processing and comprehensive utilization of primary products, expand the economic benefits of arable and nonarable lands.

With the development of agriculture, particularly production of primary agricultural products, an unprecedented excellent situation has also appeared for China's agricultural products processing industry. The experiences of many areas have proven that an important way to expand the land-produced benefits and promote all-round rural economic development is to vigorously develop processing of agricultural products to realize multiple exploitation and utilization of products.

Processing of agricultural products in China is deficient in both quantity and quality. The value of processed products is equivalent to only 87 percent of the value of primary products. Therefore, intensive processing and comprehensive utilization of primary products to realize multiple value increases is a problem in rural economic growth that calls for immediate attention and solution. Processing industries for agricultural products require only small investments, are low in power consumption, and can produce quick results. The economic benefits are obvious. If agriculture produces only raw materials, it will be difficult for the rural economy to escape its problems. If the rural areas depend only on selling primary products, the peasants can hardly become well off. After processing, the economic value of agricultural products doubles. The output values of processed products are generally two or three, even four or five, times as much as

the output values of primary products. For example, in Sichuan, fresh silkworm cocoons are processed twice to become a thin silk fabric with a 500 percent increase in output value; in Suihua Prefecture, Heilongjiang, flax is processed in three steps from raw material into an embroidered fine cloth, increasing output value 37 times over. A piece of medium-quality cattlehide sells for 50 yuan as an agricultural product. When it is processed into 13 pairs of shoes, the value increases to 286 yuan.

Primary agricultural products are abundant in China, which is also a big market. Much can be accomplished in developing the agricultural product processing industry. Primary products produced in fairly large quantities include starch products, mainly grain; vegetable oil and protein products, mainly soybeans, rape, sunflowers, sesame, peanuts and cottonseed; various kinds of fruits; meat, poultry, milk and eggs; vegetables; agricultural and sideline products; tropical and subtropical products; forest and aquatic products, and so forth. Processing capacity for all these products is very limited, and it is urgently necessary to develop the food processing industry. In the developed countries, processed food items constitute 70-90 percent of the food mix. But in our country, processed food, especially staple food, has hardly entered the market for the masses of the people. To develop the food processing industry, it is necessary to proceed from the actual conditions in various localities, determine mix and distribution on the basis of market demands, sources of raw materials and economic returns, constantly increase varieties, improve quality and reduce costs in order to open up markets and expand sales.

To develop animal husbandry, the feed processing industry must grow at the same time. A great deal of feed is consumed in our rural areas each year, but compound and mixed feed constitutes a very small proportion. Much feed is wasted, and returns are low. By using compound feed, hog-raising will result in higher output while cutting feed consumption by one-fourth and growing period by one-third. For meat chicken, the saving in feed is about one-half.

At present, specialized and key households in livestock breeding are vigorously growing in number in the vast rural areas. It is difficult for each family to solve the feed problem on its own. This also makes it imperative to energetically develop the feed processing industry. First of all, it is necessary to set up compound feed processing plants to produce high-protein concentrate feed, vitamins and trace elements, that is, compound feed and various additives. Large and medium-sized cities should produce full-value compound feed. In rural areas, small feed factories should be established to use local feed materials and state-supplied concentrate feed to produce compound feed. They should also strengthen processing of green and coarse feed so that the

phenomenon of turning such high-quality feed as soybean cakes and rice dregs directly into fertilizer can gradually be changed.

The forest product processing industry should actively develop multipurpose use of timber, change the distribution system which consists mainly of allocation of logs and develop progressively toward manufacture of finished and semifinished products. It is also necessary to develop in an appropriate way the lumber industry in forest areas to make full use of the leftover materials from logging and processing for the production of artificial boards, plywood and so forth. It is necessary to combine logging, afforestation and multipurpose use to keep the hills green and the work continuing forever and to increase the economic returns.

The agricultural product processing industry should be closely linked to the storage, transport and marketing departments in order to gradually form an integrated production-processing-transport and marketing system, developing in the direction toward integration of agriculture, industry and commerce. Besides relying on the state in developing the processing industry for agricultural and sideline products, special attention should be paid to bringing into play the strength and potential of the rural commune and brigade industries and the specialized and key households. The output value of commune and brigade food industries in the country increased from 4.36 billion yuan in 1981 to 5.56 billion yuan in 1980 [as printed], a 27.5 percent increase. To meet the needs of specialized and key households in developing animal husbandry, the commune and brigade feed industry has grown out of nothing. According to statistics at the end of 1982, the number of feed factories set up by communes and production brigades totalled more than 2,900, accounting for 83 percent of the total number of feed factories in the whole country, and their output of about 2.5 million tons made up 49 percent of the country's total output. In developing rural processing industries, it is equally important to adhere to the principle of insuring the leading role of the planned economy, and it is necessary to respect natural laws and economic laws and to prevent competition for raw materials and markets and overlapping construction. Agricultural products included in state purchase plans must be sold to the state without fail.

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NATIONAL

BRIEFS

RURAL COOPERATIVES REFORMS PRAISED--Beijing, March 30 (XINHUA)--Cooperatives which pay by shares and work are spreading in the Chinese countryside, indicating a further break away from the old practices of egalitarianism. People may contribute their funds, labor and techniques as shares, and receive payment for work and dividends, according to today's "PEOPLE'S DAILY." Managers and producers are shareholders. The voluntary cooperatives operate independently with property belonging to their contributors, on condition that they observe the law, the paper said. In contrast, the old commune system originating from agricultural producers' cooperatives in the early 50's pays the same workpoints to all, the industrious and the lazy alike. Linru County, Henan Province, has 1,800 such cooperatives, organized out of old rural industries. They are now the mainstay of the local economy, with output last year worth 130 million yuan, 61.9 percent of county rural industry. Such cooperatives began to appear in the first half of 1984, when locals began firms but lacked funds, technology and labor. The "PEOPLE'S DAILY" welcomes them as a needed form of rural commodity production alongside other forms of cooperative and family-based economy. Positive efforts to develop and improve rural cooperative systems constitute an "unswerving policy" of the Chinese Communist Party, said a frontpage commentary of the "PEOPLE'S DAILY." [Text] [OW301300 Beijing XINHUA in English 1247 GMT 30 Mar 85]

CHARGES FOR WEATHER SERVICES--Beijing, April 6 (XINHUA)--China will begin charging for specialized meteorological services this year, the State Meteorological Administration said today. The State Council General Office has distributed nationwide a report from the administration on this issue. Previously, all meteorological services were free. The move is aimed at helping meteorological stations earn money to buy more modern equipment and technology and provide better, specialized services, the administration said. The services will be available to organizations and individuals including peasants, factories, mines, construction firms, transport and marine development companies, and departments of water conservancy, environmental protection, finance, tourism, culture and sports. Foreign businesses and independent foreign enterprises are also eligible, officials added. Rates will be set according to information costs and management expenses. "Our earnings will be used mainly for new technology and equipment, with a certain portion for employee rewards and welfare," the officials said. Meteorological reports will still be free for party and government offices, army units, scientific experiments, natural disaster prevention and radio and television stations and newspapers. In order to better



support themselves, weather stations should also grow their own crops, breed livestock, and take up processing and tourist services, the officials said. [Text] [OW061628 Beijing XINHUA in English 1602 GMT 6 Apr 85]

AMOUNT OF UPLAND RICE GROWN TREBLED--Beijing, April 4 (XINHUA)--Upland rice will be grown on 219,000 hectares in Northern China this year--almost treble the 1984 figure, according to "PEASANTS' DAILY." Meanwhile, the area sown to maize will be reduced. Up to 1,200 yuan of profit may be reaped from one hectare of upland rice than from one hectare of maize, still a most popular crop in the north. Demand for rice is growing while that for maize is down, along with the improvement of people's life. Upland rice grows well in areas short of water, the paper says. Output averaged 4.5 tons per hectare last year. A meeting in Zhengzhou, Henan Province, held recently to discuss upland rice cultivation, agreed that seeds and growing techniques should be made available to more peasants. About 77,000 hectares of the rice was grown in China last year--three times the figure for 1983. Experiments have been carried out to try to grow the variety in hilly areas south of the Yangtze River, the paper says. [Text] [OW040312 Beijing XINHUA in English 0234 GMT 4 Apr 85]

GRAIN ALLOCATED TO SUPPORT RURAL DEVELOPMENT--Beijing, April 2 (XINHUA)--China will allocate 20 million tons of grain this year to support development of animal husbandry and fishery, says today's "ECONOMIC DAILY." Forestry will also benefit from the latest move, the paper adds. Half of the grain will be used for pig breeding, and the supply started yesterday. The allocations will mainly go to rural families which specialize in livestock production, state and collective livestock and fish farms, and feed processing factories. Factories producing bean-starch vermicelli, starch noodles and maltose, families and cooperatives engaged in reforestation or planting grass will obtain the allocations as well, the paper says. Feed grain should be processed into mixed feed before it is marketed, which will be sold for marginal profits. State companies are to sign contracts with pig breeders on supply of feed and purchasing of pigs. [Text] [OW020254 Beijing XINHUA in English 0240 GMT 2 Apr 85]

QUARANTINE AGREEMENTS WITH AUSTRALIA--Canberra, March 27 (XINHUA)--Australia and China today signed five agreements on quarantine and health requirements for livestock to be imported into China from Australia. Livestock items involved are cattle, breeding poultry and hatching eggs, breeding swine, sheep and goats, and frozen embryos of cattle, sheep and goats. Visiting Chinese Agriculture Minister He Kang and Primary Industry Minister John Charles Kerin signed the five agreements on behalf of their governments. Observers here believe that the signing of the agreements have paved the way for livestock trade between the two countries in the days to come. Minister He, heading a seven-member agricultural delegation of the Chinese government, arrived here yesterday to discuss with Australian officials about expansion of agricultural cooperation and technical exchanges between the two countries. During its nine-day visit in Australia, the Chinese delegation is scheduled to visit farms and agricultural research institutions in major Australian areas such as Canberra, Brisbane, Sydney, Adelaide and Melbourne. [Text] [Beijing XINHUA in English 1637 GMT 27 Mar 85 OW]

PORT QUARANTINE PROCEDURES SIMPLIFIED--Shenzhen, April 9 (XINHUA)--Quarantine examination and approval of imported livestock and animal products will be decentralized to agricultural departments of provinces, municipalities and autonomous regions. Xiao Peng, vice-minister of the Ministry of Agriculture, Animal Husbandry and Fishery, said at a national conference on port quarantine and animal and plant inspection that port quarantine proceedings should be simplified to serve the policy of opening to the outside world. To shorten the process of inspection and release, some animals, plants and their products imported by special economic zones will first be quarantined for examination at ports, then transported to designated places in the zones for in-depth inspection and quarantine, said the vice-minister. Examination and approval of livestock and animal products imported by departments under the state council will be handled by the ministry, said Xiao. Regulations and rules not suitable for special economic zones should be modified and new ones need to be stipulated, said the vice-minister. China has set up 41 port quarantine institutions with over 20 branches. In provinces, municipalities and autonomous regions 28 quarantine stations have been established. Last year China quarantined more than 1,900 imported cows and more than 5.6 million fowls. In the same year more than 3.2 million pigs and 23 million fowls were also quarantined in the country before being exported. [Text] [OW100101 Beijing XINHUA in English 1611 GMT 9 Apr 85]

MORE POLLUTION-FREE VEGETABLES GROWN--Beijing, April 5 (XINHUA)--More pollution-free vegetables are being grown in parts of China, according to the "ECONOMIC INFORMATION." Jiangsu, Beijing, Tianjin, Shaanxi, Hebei, Shandong, Heilongjiang, Taiyuan, Shanghai and Guangzhou have adopted such measures. East China's Jiangsu Province now has a network to spread pollution-free vegetable cultivation techniques. Included are research, demonstration, popularization and testing centers. Comprehensive pest-control techniques are being used on the outskirts of 11 cities for pollution-free vegetables. About 4,000 hectares, 30 percent of the province's vegetable acreage, provided 13 major cities with such vegetables last year. Vegetable growing villages on the outskirts of Nanjing have adopted bio-chemical methods to control pests and lower the remnants of chemicals in the vegetables put on the market. Beijing had 50 tons of farm chemicals free vegetables for the National Day on October 1, last year. Sample tests showed remnant common farm chemicals were lower than the standards set by China and other countries. The Beijing Municipal Government has decided to grow chemical-free vegetables on 660 hectares. Major tourist hotels snap them up. [Text] [OW050340 Beijing XINHUA in English 0304 GMT 5 Apr 85]

DAIRY CATTLE EMBRYO TRANSPLANTS--Nanchang, April 9 (XINHUA)--China has successfully bred high-yield milk cows from embryos transplanted into cattle and cross-bred oxen. Experts say China now has more than 20 million cows with productive capability out of a total of 70 million head of cattle and cross-bred oxen. This success is of great significance in developing milk cow breeding in China and improving strains of cattle and cross-bred oxen. Up to now, four cows and two oxen have given birth. The experiment was made by five research institutions including the animal husbandry faculty of the Beijing Agricultural Institute, the Animal Husbandry Research Institute under the Chinese Academy of Agricultural Sciences and the Animal Husbandry Research Institute of Heilongjiang Province. [Text] [Beijing XINHUA in English 0855 GMT 9 Apr 85 OW]

AQUATIC PRODUCTION--Beijing, 21 Mar (XINHUA)--According to information provided by the Aquatic Products Bureau under the Ministry of Agriculture, Animal Husbandry and Fishery, the output of aquatic products in China's breeding farms reached 2.45 million tons in 1984. Of this, the catch of marine products reached 600,000 tons while that of freshwater products rose to 1.85 million tons. [Summary] [Beijing XINHUA Domestic Service in Chinese 0025 GMT 21 Mar 85 OW]

LIST OF AGRICULTURAL, SIDELINE PRODUCT CATEGORIES--Category One products: grain (rice, wheat and corn only), cotton (within-grade cotton and cotton velvet only), fats and oils (peanuts, rape and cottonseed only) and lumber. Category Two products: jute and bluish dogbane, ramie, tea leaves (frontier sales of tea only), leather (only from state slaughterhouses), sheep wool, mao bamboo, gao bamboo, vegetables (only in large and medium-sized cities and primary industry and mining regions), flue-cured tobacco, name-brand sun-cured tobacco, live pigs, sugarcane, beets, silkworm cocoons, pressed silkworm cocoons, musk, licorice root, eucommia bark, official magnolia bark, Chinese goldthread rhizome, Chinese angelica, chuanxiong rhizome, rehmannia rhizome, tremella, baiyao [medicinal], fuling [medicinal], dwarf lilyturf tuber, chrysanthemums, fritillary bulbs, yinhua [6892 5363], chrysanthemums, bidentate achryantes root, balloon flower root, weeping forsythia capsules, yurou [5341 5131], pseudo ginseng, ginseng (including wild mountain ginseng) and bezoar. [Text] [Beijing NONGCUN JINRONG [RURAL FINANCE] in Chinese No 3, 1 Feb 84 p 43] 12539

SHORTAGE OF FOOD COLOR NOTED--Output of food color in China has increased year by year for the last few years and forecasts indicate 580 tons will be produced in 1984, which is an increase of 96 percent over 1980. This can basically fill the food and medical industry requirements, but market demand is high and this is generally reflected in difficulties in ordering. The major causes of this phenomenon are: First, there are some areas, especially the border regions and minority nationality districts, where there are few food and medical industries and little demand for food color. The management units concerned in these regions do not replenish stocks, which creates an artificial shortage. Second, the number of beverage plants has increased. Because the food color supply channels are obstructed, the rural beverage plants seek to purchase some from any quarter. Third, the distribution of food color is uneven. It is in rather tight supply in the south and there are acute shortages in the large cities; the retail stores and small cities in the north all have available supplies. The departments concerned should pay attention to balancing stocks of goods in the various localities and satisfy market supplies. Units which need food color can obtain them from their area's 5 exchanges [wujiaohua [0063 0074 0553]] store or directly from the integrated supply system of the paint dye supply departments of the Shanghai chemical and light industry companies or from the managing departments of the Shanghai dyestuff and farm chemical industry companies. [Text] [Beijing JINGJI RIBAO in Chinese 22 Sep 84 p 3] 12513

NEW TECHNOLOGY FOR SILK PRODUCTION--Hangzhou, April 9 (XINHUA)--China has developed a technique for continuous and automatic production of silk filatures. It saves strenuous labor in the processes from cocoon feeding to the production of raw silk, and workers will no longer have to have their hands continuously in hot water. A production line using the new technology has been installed at the Xinhua filature plant in Hangzhou, capital of Zhejiang Province. Trial operations over the past 22 months have shown that the line can cope with the expected demands. The plant expects to raise its annual raw silk output by 30 percent, to more than 300 tons, by introducing the technology. Developed over 6 years through the collaboration of the plant and research institutes, the technology employs vacuum, air and hydraulic power processes, and involves photoelectricity, automatic and sequence control, automatic measuring and data display. Specialists from the Zhejiang Science Commission and Light Industry Bureau said in a recent joint appraisal that the system provides a model for upgrading other silk plants, and the equipment is suitable for export. [Text] [Beijing XINHUA in English 0705 GMT 9 Apr 85 OW]

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TRANSPROVINCIAL AFFAIRS

HARNESSING OF SOIL EROSION AT SANXIA RESERVOIR URGED

Beijing SHUITU BAOCHI TONGBAO [BULLETIN OF SOIL AND WATER CONSERVATION] in Chinese No 6, Nov-Dec 84 pp 16-20

[Article by Li Shitao [2621 0013 5468] of the Hubei Province Textile Design Institute: "Soil Erosion in the Region above Sanxia on the Chang Jiang Urgently Needs Control"]

[Text] In May of this year, I accompanied the Multidisciplinary Comprehensive Investigation Group on Resource Development in Sanxia and the Ecological Effects of the Sanxia Key Water Conservancy Project that was organized by the Hubei Province Science Association to investigate the soil erosion situation in the area above Sanxia on the Chang Jiang. I would now like to offer some unrefined viewpoints.

I. The Overall Situation

The Chang Jiang is the longest river in China and is among the longest in the world. It originates on the southwestern flank of Kaladongxueshan, the main peak in the Tanggulashan Mountains. The main trunk is 6,300 kilometers long. It is the third longest river in the world, only the Nile and Amazon rivers being longer. The upper reaches extend for about 4,500 kilometers from the river source to Yichang. The middle reaches extend for about 1,000 kilometers from Yichang to Hukou in Jiangxi. The lower reaches extend for 800 kilometers from Hukou on to the east of Shanghai's Songming Island, where it flows into the sea. The main trunk of the Chang Jiang passes through the 10 provinces, municipalities and autonomous regions of Qinghai, Xizang, Yunnan, Sichuan, Hubei, Hunan, Jiangxi, Anhui, Jiangsu and Shanghai. The Chang Jiang also has more than 700 tributaries that flow through parts of the six provinces and autonomous regions of Guizhou, Gansu, Shaanxi, Henan, Guangxi and Zhejiang.

The Chang Jiang basin covers an area of 1.8 million square kilometers, equal to one-fifth China's total land area. The river basin has 370 million mu of cultivated land and a resident population of 360 million persons. There is an abundant amount of water flowing in the Chang Jiang. About 1 trillion cubic meters of water flow into the sea each year, 20 times the amount flowing into the sea from the Huang He.

The natural ecological environment in the Chang Jiang basin has been very good throughout history, and the area is extremely fertile. In ancient times, it

was called "the land of clear water and beautiful mountains, a land of fish and rice" and it has left profound effects on the people of today. There are abundant natural resources in the river basin and industry and agriculture are developed (accounting for about 40 percent of China's annual gross value of industrial and agricultural output). It has played an enormous role in the economic and cultural development of China's national economy and culture.

The Chang Jiang is the river with the most serious danger from flooding in China. There have been frequent and severe floods on the Chang Jiang. The losses of the people's lives and property from flood disasters over the 30-plus years since Liberation far exceed those from the Huang He. The question of how to eliminate the danger of flooding on the Chang Jiang should receive attention from all departments.

After Liberation, a series of water conservancy engineering measures were adopted to strengthen dikes, to construct floodwater dispersal and collection areas, and to build reservoirs on the main trunk and tributaries of the Chang Jiang as a means of eliminating flooding along the Chang Jiang, and they have played an obvious role in reducing flooding. The substantial differential between the large amount of water that flows into the upper reaches of the Chang Jiang and the safe leakage amounts in the downstream channel have caused continual flooding disasters, however.

Flooding is most severe in the middle and lower reaches of the Chang Jiang. The plains region in the middle and lower reaches of the Chang Jiang is one of China's main granaries and is a primary base area for commodity grain and cotton production. There has been serious danger from flooding disasters for years, and the damage from flooding is especially severe on the Jing Jiang. The land surface to the north of the Jing Jiang is about 10 meters below the flood stage on the river. The safety of 4 million people and 8 million mu of farmland depends on the protection of the Jing Jiang Dam. The base of the Jing Jiang Dam is of low quality, however, and the danger is even greater when water levels are high. A breach of the Jing Jiang Dam would not only create serious economic losses, but would also result in the death of a large number of people and put direct pressure on the safety of Wuhan City. For this reason, the question of leakage prevention in the middle and lower reaches of the Chang Jiang, especially in the Jing Jiang River area in the middle reaches, is an urgent task for controlling the Chang Jiang.

## II. The Situation in the Region above the Sanxia Key Water Conservancy Project

The dam site selected for the coming construction of the world-famous Sanxia Key Water Conservancy Project on the Chang Jiang is at Sandouping above Yichang where the middle reaches become the lower reaches. The dam will collect water from an area covering 1 million square kilometers that includes part or all of the provinces and autonomous regions of Qinghai, Xizang, Sichuan, Yunnan, Guizhou, Gansu and Hebei, more than half the area of the Chang Jiang river basin. The river above the dam is 4,529 kilometers long, equal to 72 percent of the total length of the Chang Jiang. The terrain of the area above the reservoir is higher in the west and lower in the east. The topography is complex and varied: the western part is the Qinghai-Xizang

Plateau and is more than 4,000 meters above sea level. The eastern part is the Sichuan Basin and the Guizhou Plateau, and lies at elevations of 200 to 2,000 meters. The central part is a transitional zone where the terrain is relatively broken. There are many tributaries above the dam. Those rivers with a flow rate greater than 1,000 cubic meters per second include the Yalong Jiang, Min Jiang and Jialing Jiang to the north and the Wu Jiang to the south. The Jialing Jiang basin is the largest, the Min Jiang has the most abundant water flow and the Yalong Jiang is the longest. There are abundant hydropower resources in the area of the dam. The Yichang hydropower station is the controlling station for the Sanxia reservoir. The average annual flow rate is 14,000 m<sup>3</sup>/sec. and average annual runoff is 452.9 billion cubic meters. The flow rate accounts for 45.3 percent of the water flowing into the sea from the Chang Jiang.

The floodwaters in the Chang Jiang come primarily from the area above the Sanxia Reservoir. The area between the Jialing Jiang, the Min Jiang and the Sanxia region in the upper reaches is one of strong thunderstorms and rapid confluence, and is the primary source of peak floods at Yichang. One of the primary tasks for building the Sanxia key water conservancy project is to control floodwaters in the upper reaches. According to statistics, the amount of water flowing in the upper reaches during the main high water season during July and August amounts to 60 to 70 percent of the water flowing in the middle reaches. The Sanxia reservoir will be able to capture the major part of the excessive floodwaters that cannot be drained off downstream and effectively eliminate the flow rate during peak flooding downstream. This will play a decisive role in solving the danger of flooding in the plains region in the middle and lower reaches, especially in the Jing Jiang region.

### III. Soil Erosion in the Upper Reaches above the Sanxia Reservoir

There is serious soil erosion above the Sanxia Reservoir area. Survey data indicates that more than 1.3 billion tons of soil are lost due to erosion of slopes each year, which is more than half the total amount of soil lost due to erosion in the entire Chang Jiang basin each year. The amount of silt coming from Sichuan is 730 million tons, 80 million tons from Guizhou, 400 million tons from Yunnan, 80 million tons from Gansu, 4 million tons from Hubei and 10 million tons from Shaanxi. Most of the silt comes from Sichuan and Yunnan.

The region with the most severe degree of erosion is in the anticlinal mountain ranges in the central and eastern parts of the Sichuan Basin and north-eastern Sichuan, the northern part of Yunnan, part of the Bijie Special Region in Guizhou, southern Gansu, southwestern Shaanxi and other regions. The area of soil erosion accounts for about 50 percent of the total land area of the region. An average of 6,000 to 10,000 tons of soil per square kilometer are lost each year, making it the primary source of silt in the region above Sanxia (see map).

The large amount of soil being lost from the slopes has increased the amount of silt in the river channels. Primary channels in the upper reaches like the Jinsha Jiang basin receive 390 million tons of eroded soil annually, equal to 30 percent of the 1.3 billion tons of soil lost due to erosion in the upstream

region. Measurements show that that the river channels are carrying 240 million tons, more than 40 percent of the 500 million-plus tons of silt carried in the upper reaches. This shows that there is severe soil erosion on the slopes and increasing amounts of silt in the river channels.

The area above the Sanxia reservoir is primarily mountainous and hilly land. Most of the ground surface is weathered detrital rock. The silt that is eroded is fairly coarse. During the process of erosion, it is carried along as sediment, of which only a small part is carried into the river channels. It has a small transport/migration ratio, which is the ratio of the amount of silt carried in a river to the total amount of soil eroded in the river basin. According to actual measurements in the area above the Sanxia reservoir over a 79-year period between 1890 and 1969, the long-term average amount of silt being transported at the Yichang station was about 540 million tons, while the total amount of soil being eroded from the slopes was 1.3 billion tons, which is a 40 percent ratio between soil eroded from the slopes and the amount carried into the river channels. It must be explained that transport/migration ratios are not fixed because they will vary according to different natural conditions. An example is the Gaoshan Gorge in the Jinsha Jiang basin, where the mountains are high and the gorges deep. Annual soil erosion in the river basin amounts to 390 million tons, while the 240 million tons of silt are transported into the river. More than 60 percent of the silt that is carried into the river each year comes from soil eroded from the slopes in the river basin. The Tuo Jiang basin is located in a hilly region of the Sichuan Basin and has a fairly gentle terrain. This river basin loses 59 million tons of soil annually due to erosion, but only 16 million tons is carried into the river channel, meaning that only 27 percent of the amount of soil lost due to erosion is being carried into the river channels.

It is clear from the above that the amount of silt being carried into the river channels is only a small part of the total amount of soil being lost due to erosion. The amount of silt being carried cannot, therefore, tell us whether or not there is severe soil erosion in a river basin.

#### IV. The Danger of Soil Erosion

It need not be said that the results of soil erosion do not just endanger industrial and agricultural production and increase flood and drought disasters. They endanger existing water conservancy and hydropower projects and have enormous effects on the results and lifespan of the projects. There are many examples of this in the Chang Jiang basin. According to statistics, nearly 50,000 large, medium and small reservoirs with a capacity of more than 100 billion cubic meters have been built in the Chang Jiang basin. Sichuan Province has more than 7,000 of these large, medium and small scale reservoirs, while Yunnan Province has about 4,000. The problem of silting up exists in all of the reservoirs to varying degrees, the problem being especially severe in the small-scale reservoirs. An example is the famous Gongzui Reservoir that was built on the Dadu He, a tributary of the Min Jiang in Sichuan's Leshan County. It controls an area of 76,000 square kilometers and has a reservoir capacity of 360 million cubic meters. It has become silted up by 110 million cubic meters of silt over the 11 years since it was constructed,



equal to 32.5 percent of the total capacity. The Bikou reservoir was constructed within the boundaries of Wen County in Gansu Province on the Bailong Jiang, a tributary of the Jialing Jiang. It controls an area of 26,000 square kilometers and has a total capacity of 520 million cubic meters. Some 40 million cubic meters of silt have accumulated in the past few years, equal to 8 percent of reservoir capacity. Silting is even greater in medium and small-scale reservoirs. According to a survey of nearly 200 reservoirs by related departments, the amount of accumulated silt averages more than 20 percent of total reservoir capacity. Some small reservoirs have been completely silted up in the few years since they were constructed. There are even more examples where they cannot be used after the second year.

Another disastrous consequence of silt accumulation is the raising of river beds and shrinkage of the area of lakes, which has greatly weakened their ability to drain floodwaters in river channels and regulate the accumulation of floodwater in lakes. The result is frequent and serious flooding in the middle and lower reaches. "The Chang Jiang is 10,000 li long, the dangerous section is the Jing Jiang." The fact that the middle reaches of the river have become the dangerous section is the result of silting caused by the silt coming from the upper reaches year after year that has raised the river bed and reduced the area for passing floodwaters. According to statistics on actual measurements from 1954 to 1977, a total of 400 million tons of silt accumulated in the Jing Jiang section of the river. Dongting Lake is located in the middle reaches of the Chang Jiang. It has four mouths at Songsikou, Taipingkou, Ouchikou and Diaoxiankou (the dams already constructed have been blocked up). The silt coming from the upper reaches of the Chang Jiang that passes through three of the mouths into Dongting Lake averages 230 million tons per year, and reached a maximum of 300 million tons in 1954. The lake covered an area of 4,350 square kilometers shortly after Liberation, but now covers only 2,740 square kilometers. The capacity has dropped from 29.3 billion cubic meters to 17.8 billion cubic meters. The so-called 800-li Dongting Lake now has a small water surface. Some 1.1 billion tons of silt accumulated in the section between Yichang and Hankou over 3 years. It is common knowledge that silt reduces capacity. Continual silt accumulation in the Jing Jiang section of the river has raised the water level in Shashi City. The water level in the city was raised by 19 centimeters in the 10 years between 1951 and 1961, an average of 1.9 cm per year. The flow rate from the four mouths of Dongting Lake has been reduced. According to statistics, the flow rate was 40,070 m<sup>3</sup>/sec in 1931 but had dropped to 24,170 m<sup>3</sup>/sec in 1961, a reduction of 15,900 m<sup>3</sup>/sec over 30 years. The silt has raised the river bed and reduced the capacity for distributing floodwaters. This is one of the primary reasons for flood disasters on the Chang Jiang.

The Sanxia Key water conservancy project will be built on an enormous scale on the Chang Jiang. This urgently requires research and adoption of all types of effective measures to prevent continued soil erosion.

## V. Proposals

1. The problem is how to protect the benefits of the Sanxia key water conservancy project. The Sanxia reservoir is an enormous project to be built on

the 10,000-li Chang Jiang. It will be difficult for construction in all areas to be done well. There are many problems. If any one problem is not handled well, it could bring about inestimable results. Moreover, some problems have not been recognized yet. The already-known problem of silt is affecting the useful life and results of the reservoir, and is one of the key problems in construction of the Sanxia reservoir.

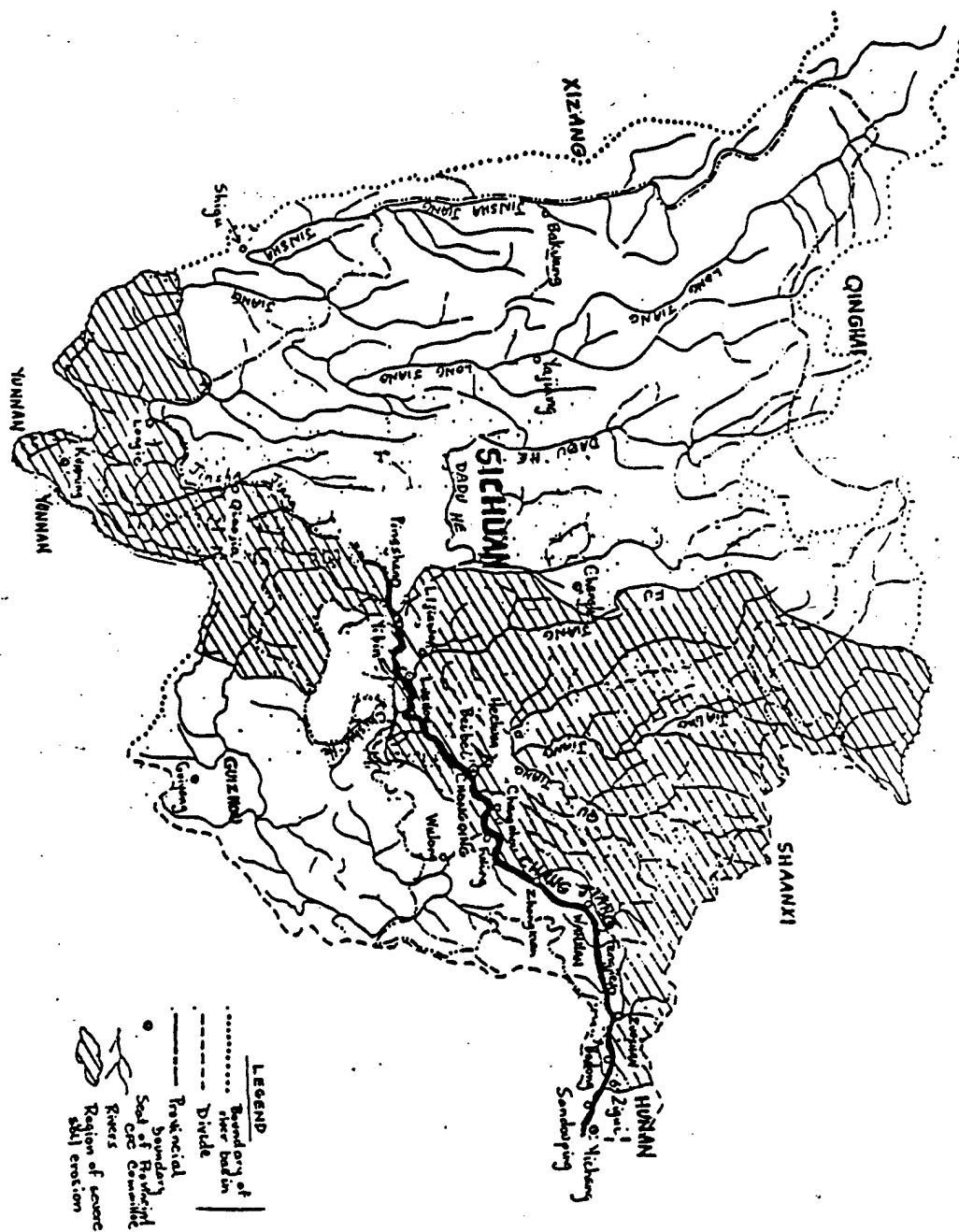
While listening to a report on the Sanxia Dam in 1963, Chairman Mao pointed out that "silting in reservoirs must be clearly understood, reservoirs should be used for long periods." Past surveys on the sources of silt entering the reservoir show that 1.3 billion tons of soil are lost to erosion in the area above the reservoir each year and that over 500 million tons of it enters the Sanxia Reservoir as silt. The silt entering the reservoir leads to bad outcomes in many areas: the first is the silting up of reservoir capacity that effects results and reservoir life; the second is accumulation in the backwater change area. More than 500 million tons of silt enters the reservoir each year, about 20 percent of it fine-grained sand composed of particles less than 0.01 mm in diameter and about 80 percent coarse sand composed of particles greater than 0.01 mm in diameter. This means that 80 percent of the coarse sand will begin to sediment out from the final end of the backwater if measures are not taken.

The problem of controlling the amount of sand entering the reservoir must rely primarily on soil conservation and more forests and vegetation upstream from the reservoir since this can store water and conserve soil. This not only will change the impoverished situation of the mountainous regions, but will also protect the safety of the Sanxia Reservoir, which is of enormous importance.

2. Strive to restore and develop forests and vegetation in the area above the reservoir. The large amount of destruction done to forests and vegetation in the region of the main trunk and tributaries of the upstream section of the Chang Jiang in recent years has aggravated soil erosion and caused an increase in the amount of silt in the Chang Jiang, which has received a great deal of attention. The aggravated soil erosion is due primarily to the destruction of forests and vegetation.

According to incomplete statistics, there are 160,000 square kilometers of forests in the region above the Sanxia Reservoir, equal to 16 percent of the total land area. Most of this area is young and sparse forest and is far from able to play a role in conserving water resources and soil protection. The forest coverage rate in Sichuan Province was 16 percent during the 1950's but is now only 13 percent and is unevenly distributed. Sichuan Province has 193 counties. Only 13 of them have a forest coverage rate over 30 percent, while 91 have a coverage rate of less than 10 percent. During the major flood in Sichuan during 1981, the primary cause was flooding from thunderstorms formed over a large area by atmospheric circulation, but the degree of flooding was extensively related to the amount of forests and vegetation. The most serious flooding during 1981 occurred on the Tuo Jiang, Fu Jiang and Jialing Jiang, which have only an 11 percent forest coverage rate. The coverage rate is only 5 percent on the Tuo Jiang. The result was that a large amount of mud and sand was washed away. According to related survey data, about 6 cubic meters

Soil Erosion in the Area Above Sanxia on the Chang Jiang



of soil are being washed from each mu of cultivated land on slopes greater than 5° during the thunderstorm period (July-September). The figure is 13 cubic meters for land at slopes of 5° to 10° and 24 cubic meters for cultivated land at slopes of 10° to 15°. The continual destruction of forests and vegetation has increasingly aggravated soil erosion. Sichuan Province had 90,000 square kilometers of eroded land in the 1950's. The figure has now grown to 380,000 square kilometers, a 4.2-fold increase over the 1950's. Guizhou had 13,000 square kilometers of eroded land in the 1950's. The figure is now 35,000 square kilometers, a 2.7-fold increase over the 1950's. For this reason, I propose that a major effort be made to develop afforestation upstream from the reservoir to restore forests and vegetation as quickly as possible. This can prevent soil erosion and create an excellent natural environment.

I noticed during my investigation that reclamation and planting on slopes along the banks of the Sanxia Reservoir is very common. People are living on every available piece of land, reclaiming and planting the land regardless of the slope. A thunderstorm could wash the mud and sand directly into the river. Measures should be adopted to put an end to reclamation and planting of slopes and to remove reclaimed land on slopes from cultivation for conversion to forests. I also propose that the related departments classify the Sanxia Reservoir area as a national forest and make great efforts to plant trees for afforestation according to park requirements and restore forests and vegetation as quickly as possible. The section of the river near Sanxia formerly was a scenic tourism region. A 570 square kilometer artificial lake was formed after the Sanxia Reservoir was built as a distance of over 500 km from the backwater terminus. There will be even more tourists from within China and abroad who will be attracted to the region after the "lake in the high gorge" is completed. For this reason, rapid afforestation and beautification along the banks of the Chang Jiang is a question that needs to be dealt with.

12539  
CSO: 4007/185

TRANSPROVINCIAL AFFAIRS

COTTON PROCUREMENT PROCESS DISCUSSED

Efficient Cotton Procurement Urged

Beijing ZHONGGUO NONGMIN BAO in Chinese 18 Sep 84 p 1

[Commentary: "Make Concerted Efforts To Resolve 'Grain-Selling Difficulties'"]

[Text] The requirements put forth by an official of the Ministry of Commerce's Cotton and Hemp Bureau and the preparations made by Hebei, Shandong and Henan provinces show that the departments and regions concerned are actively doing everything possible to resolve the "cotton-selling difficulties."

There has been a large increase in cotton output in China in recent years and the amount procured has risen more than one-fold. There has been a change in the rural areas from sales to the state by production teams to sales by individual households, which has greatly added to the work, and since the procuring departments cannot at once adapt to these circumstances in terms of personnel, facilities and work methods, "cotton-selling difficulties" have appeared in some cotton-producing regions which has brought many hardships and worries to the cotton farmers.

We must proceed in two areas to solve the "cotton-selling difficulties." First, the cotton procuring departments definitely must adapt their thinking and work to the new circumstances, change their old-style work methods, promote effective, organized work, provide conveniences for the masses and successfully complete the procurement work by every means possible. At the same time, they must tap all potential, increase network outlets, set up more windows for settling accounts, get additional equipment, increase work efficiency and do everything possible to cut down on the cotton farmers having to stand in long lines to sell their cotton.

The cotton farmers also have a responsibility in resolving the "cotton-selling difficulties." The state has explicitly announced that it will procure however much cotton there is. With this provision the cotton farmers need not worry about not being able to sell all their cotton. The state will procure from those who sell early and those who sell later so there is no need to rush and excessively concentrate the selling. To bring about balanced sales and reduce the waiting period all localities this year will universally implement the methods of dividing the work, fixing locations, appointing times

and certifying sales. The time involved in lining up waiting can be greatly reduced if the selling is done in an organized and sequential manner.

Another point which is especially important is that the quality of the cotton sold definitely must be assured. The state cannot procure cotton which is not up to standard; this will bring greater losses to the cotton farmers.

In short, if the cotton procuring departments and the cotton farmers make concerted efforts, the cotton procurement work this year will certainly be done better than in previous years.

#### Procurement Preparations Completed

Beijing ZHONGGUO NONGMIN BAO in Chinese 18 Sep 84 p 1

[Article: "Hebei, Shandong, Henan Cotton Procuring Departments Complete Preparation for Procurement, Welcome New Cotton on the Market"]

[Text] To welcome the new cotton crop on the market, the cotton procuring departments of Hebei, Shandong and Henan provinces have conscientiously improved procurement methods, increased the network outlets, expanded the sites, equipped and deployed the procurement personnel and provided every possible convenience for the peasants selling cotton.

There were bumper cotton harvests again this year in Hebei, Shandong and Henan and to confront this situation the three provinces did a large amount of preparation work before the new cotton crop went on the market. To date, the three provinces have set up a total of more than 290 additional procurement network outlets, more than 1,400 additional windows for settling accounts and got an additional 2,100-plus platform scales. Hebei Province, in order to fundamentally resolve cotton-procurement and cotton-selling difficulties, has adopted the principles of concentrating on both production and circulation and giving simultaneous consideration to the state, the collective and the individual, organized various strengths, mobilized the masses to pool resources, constructed cotton procurement facilities, built more than 250 new cotton procurement stations and expanded more than 400 others to bring about the situation where basically there is a station for each township in the major cotton-producing regions. Henan Province paid close attention to providing for professional and technical strengths and increased the number of procurement and inspection personnel by 11,000 over last year. Construction of procurement network outlets in Shandong Province in recent years was a first step in adapting to the cotton-selling needs. They have built on this base by further readjusting the network outlets and completing work on processing facilities in order to enhance procurement and processing capabilities. The three provinces have also made preparations for appropriately extending the time for each turn to sell and the procurement period as a prerequisite for adhering to the method of dividing work, fixing locations and appointing times for sales.

12513

CSO: 4007/47

TRANSPROVINCIAL AFFAIRS

WEATHER STATIONS PROVIDE SPECIALIZED SERVICES

OW100802 Beijing XINHUA in English 0631 GMT 10 Apr 85

[Text] Beijing, April 10 (XINHUA)--Chinese weather stations are beginning to provide specialized services in addition to their regular public services.

The services have not only prevented unnecessary losses on the part of units buying the services but also helped the weather stations which charge for the services to expand their operations and update their technology, according to the meteorological department.

The services have been brought on stream gradually over the past year, and are available to economic departments, enterprises, individuals, joint ventures and foreign enterprises, and even individual households engaged in specialized production.

The services provided by the Anhui provincial meteorological station have enabled some brick kilns in the province to lengthen their production period, resulting in an extra profit of 600,000 yuan.

In Guangdong Province, hydroelectric power stations are affected greatly by changes in the weather. But after they started to receive regular special reports from local weather stations last year they made proper arrangements for production. As a result, they put out an extra 3.4 million kWh of electricity last year.

Guangdong weather stations are now sending special reports to seven oil platforms operated by foreign firms in the South China Sea.

CSO: 4007/294

ANHUI

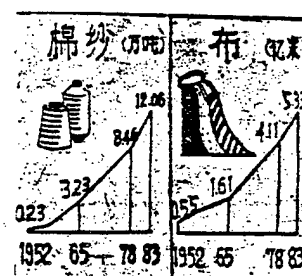
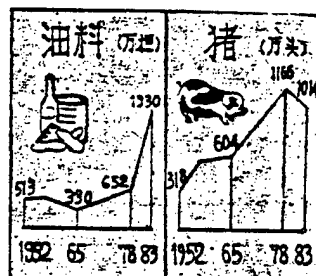
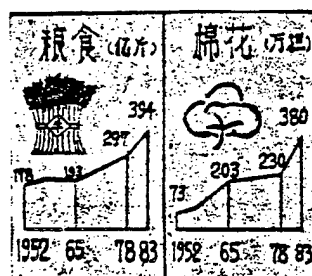
# ANHUI RELEASES INDUSTRIAL OUTPUT FIGURES

Beijing GONGREN RIBAO in Chinese 31 Aug 84 p 2

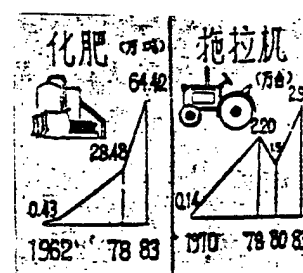
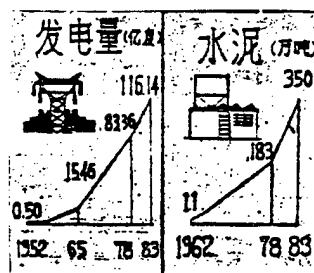
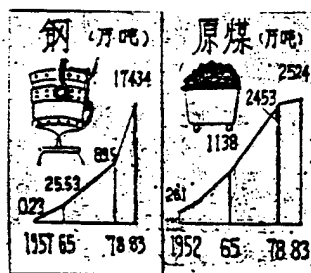
[Chart: "Major Industrial, Agricultural Output of Anhui Province"]

[Text]

Grain (100 mil- lion jin)	Cotton (10,000 dan)	Edible Oils (10,000 dan)	Pigs (10,000 head)	Cotton Yarn (10,000 tons)	Cotton Cloth (100 million meters)
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Steel (10,000 tons)	Crude Coal (1,000 tons)	Electricity (100 mil- lion watts)	Cement (10,000 tons)	Chemical Fertilizers (10,000 tons)	Tractors (10,000 units)
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12661  
CSO: 4007/1



## COMMENTARY PUSHES FORWARD RURAL REFORM TO NEW STAGES

Hefei ANHUI RIBAO in Chinese 6 Feb 85 p 1

[Commentary: "Strengthen Leadership, Provide Good Services, Promote the Second Reform in Rural Areas"]

[Text] This provincial work conference concerns the second reform in rural areas with a focus on readjustment of industrial structures. Smooth progress in these reforms will provide favorable conditions for development from a self-sufficient and semi-self-sufficient economy to a commodity economy and development from traditional to modern agriculture in rural areas. All levels of party and government leadership and all departments should adapt to the new situation, establish new viewpoints and concentrate on this key point. They should strengthen leadership and provide good services.

This second reform in rural areas focuses on readjustment of industrial structures and touches upon the entire economic foundation and all aspects of the superstructure. The conditions will be even more complex than the first reform, policies will be stronger and the tasks will be more difficult. Good work in this reform requires first of all that the ideological levels and work methods of the leadership keep pace. We must study earnestly, resolutely adhere to CPC Central Committee Document No 1, strive to make the transition from using directive planning to planning guidance as soon as possible, and strive to make the transition from using primarily administrative measures to using primarily prices, tax collection, credit and other economic levers. We must learn to make the transition from issuing slogans and orders to the peasants to providing them with pre-production, production and post-production social services. Rural organs that are "grain and cotton types," "safe types," "political types" and "economic types" should become organs that are "commodity administration types," "developmental and innovative types," "economic service types" and "scientific knowledge types." We should further improve our knowledge, use the concepts of systems engineering to reveal the entire content and internal laws of the rural industrial structure and lead to development of the commodity economy in rural areas on an even larger scale.

Leading cadres at all levels now should further strengthen investigative research. Any ideas, doubts or other problems that appear among the masses as a result of an incomplete understanding of the spirit of this year's CPC Central Committee Document No 1 cannot be allowed to go unchecked, nor can they be repressed. We should use discussion, settling accounts and

comparison to solve them effectively. This is especially true for new commodity grain regions, which should deal with the possibility of decreased incomes after elimination of unified purchasing for grain and increased income from assigned purchases of live pigs, eggs, lumber and other products. They should readjust industrial structures, which can result in further income increases as commodity production develops, and they should affirm the confidence of the peasants in implementing this year's CPC Central Committee Document No 1. We should make full use of the abundant grain in Anhui to lead the peasants in converting grain to develop animal husbandry and aquaculture, running rural and small town enterprises and household enterprises, and widely developing tertiary industries.

All related departments, lines and professions should correct their professional guiding ideology, link up with the work tasks of their unit and their department according to the requirements of CPC Central Committee Document No 1, and strengthen services for rural reforms. Rural finance departments should be resolute in reforms, relax policies and, with a precondition of respecting state laws and regulations regarding finance, allow the peasants to set up new collective or cooperative financial organizations to collect capital for rural construction from all areas. Materials departments should work hard to organize, allocate and supply all types of materials for assisting agriculture. Agricultural economic management departments and agricultural economics cadres at all levels should adapt to the requirements of readjusting the rural industrial structure and large-scale development of commodity production and resolutely assume responsibility for policy and economic advice, purchasing and sales, contractual responsibility, accounting, statistics, auditing, information, training and all types of capital and credit, representative management and other services. Communications departments should resolutely adhere to the principle of the state, collectives and individuals moving forward together, permit and even encourage individual peasants and associations of families to move to urban areas for passenger and freight transport, and allow large numbers of people to operate hand and foot [manually-powered] transport. State-run commercial departments should participate actively in market regulation, handle large quantities of agricultural and sideline products and actively and warmly provide services to producers and consumers. Industrial and commercial administration and management departments should reaffirm the view that management is service and give a green light to the peasants for entering the market. They should strengthen technical services in rural areas, continue to develop technical contracting, provide good services in improved varieties, machinery, plant protection and other areas, accelerate construction of integrated educational, scientific research, extension and production services so that the economic interests of scientific and technical departments are united with those of the peasants, and strive to quickly transform existing scientific and technical achievements into forces of production.

The busy spring planting season is approaching. All areas should seize the time to make arrangements for this year's rural work. Quotas related to farm crops should be transferred downward quickly in steps to production

units or peasant households and contracts should be signed. The tasks are difficult and concern many things. We certainly must continue to wave high the banner of reform, continue to eliminate "leftist" influences and strive to achieve new breakthroughs in rural industrial structures throughout Anhui this year so that there is major development of commodity production.

12539

CSO: 4007/246

ANHUI

#### ANHUI PEASANTS SEEK MARKET INFORMATION

OW260805 Beijing XINHUA in English 0632 GMT 26 Mar 85

[Text] Hefei, March 26 XINHUA)--Rural officials and peasants in Anhui are traveling all over the country to collect market information and sign sales contracts for this year's crops as spring sowing is now in full swing.

For the first time, peasants in this East China province are allowed to produce according to domestic and international market demand.

The provincial government will not issue any mandatory output quotas--a practice introduced in the 1950s--in accordance with the No 1 Party Central Committee document of 1985 which specifies a series of new policies to encourage a market-oriented rural economy.

One example is Huaiyuan County, which has signed 200,000 contracts with firms in two dozen provinces and municipalities, for sales of field mint, bluish dogbane and soybean. An income of one million yuan is now anticipated from the sales of field mint alone, according to local officials.

Most of the contracts were signed by county officials who traveled to their customers' areas.

Local governments are now expected to guide production through provision of market information and other pre-production services.

With information provided by their local officials, peasants in many places have decided to increase the sown acreage of high-quality grains and cash crops by 200,000 hectares, and the acreage under green manure crops, by well over 530,000 hectares.

Meanwhile, according to the provincial government, more than 330,000 hectares of poor farmland will be used to plant trees or fodder grass this year.

"The accent is now on economic efficiency, not output figures as in the past," said one provincial leader.

Anhui pioneered China's rural reforms, along with Sichuan and other less-developed provinces, by instituting the job responsibility system which pays the worker according to output.

2 May 1985

BEIJING

## BEIJING PEASANTS EAGERLY SELL GRAIN TO STATE

Beijing BEIJING RIBAO in Chinese 18 Jul 84 p 1

[Article: "Some 160 Million Jin of Summer Grain in Storage"]

[Text] By 15 July, Beijing had stored up 166,720,000 jin of summer grain, fulfilling 138.9 percent of this year's summer grain storage plan. Eight of the 12 suburban districts and prefectures assigned summer grain procurement tasks fulfilled or overfulfilled their quotas. Of the wheat in storage, 76.8 percent is above average quality.

This year Beijing's summer grain output was affected by many natural calamities. But the spirit of Central Committee Document No 1 restored public confidence and mobilized the enthusiasm of peasants for production. Their willingness to put in money and effort on field management with great care, plus the participation of scientists and technicians in the extensive use of improved wheat seeds, prevailed. Consequently, the summer grain output in the suburbs this year did even better than the previous year's bumper crops.

After the bumper harvest, the peasants eagerly delivered grain and sold their surplus grain to the state. This year, Shunyi County brought in by far the highest summer grain output, having fulfilled 152.13 percent of the procurement task, out of a total of 68,460,000 jin of grain in storage. The Yang Wencheng specialized grain household of the fourth production team, Huoda brigade, Anding Township, Daxing County, which contracted for 20 mu of wheatfield produced 12,600 jin of wheat before selling to the state 10,860 jin of improved second grade marketable wheat, becoming the first household selling 10,000 jin of grain in a single season.

In the past, production teams were responsible for keeping summer grain in storage. This practice has now been turned over to individual households. To eliminate redundant procedures involving many peasant households, the staff of the food department went to production teams in the rural areas to conduct on-the-spot quality inspection, thus facilitating grain delivery by full-time and priority households, shortening their waiting time for grain delivery and, at the same time, relieving storage accumulation.

Moreover, quite a number of grain collection centers provide hot drinking water and sell soft drinks, beer, hot snacks, etc. to solve grain-delivering peasants' food and beverage problems.

12661

CSO: 4007/1

BEIJING

BRIEFS

TOUGH COTTON STRAINS PRODUCED--Beijing, March 26 (XINHUA)--Scientists at the Chinese Academy of Sciences' Genetics Institute have successfully cross-bred foreign and domestic cotton strains to produce stronger and disease-resistant hybrids. Liang Zhenglan, an institute research fellow, said that in the past, agronomists were more concerned with quantity rather than quality because of supply shortages. But China has enjoyed a cotton surplus since 1983, so quality was now more important. Lower tensile strength can result in poorer textile products and this can hit exports, he said. Cross-breeding the existing varieties with wild strains which are strong and resistant to disease is an effective measure. But inter-species non-crossability and infertility of hybrids have been barriers. Liang and his colleagues have created a new system of cross-breedings, and have grown 10 varieties from wild strains from the Australian desert, arid parts of the Middle East, and infertile fields of North America. The institute has established links with cotton-seed cultivating institutions in five provinces and municipalities, and has provided them with fine strains over the past five years. [Text] [OW261712 Beijing XINHUA in English 1427 GMT 26 Mar 85]

CSO: 4020/183

FUJIAN

#### BRIEFS

AZOLLA RESEARCH CENTER FOUNDED--Fuzhou, March 31 (XINHUA)--A research center devoted to the utilization of azolla was founded here today. Situated in the suburbs of Fuzhou, the center is the joint efforts by the Ministry of Agriculture, Animal Husbandry, and Fisheries and the Fujian people's government. Azolla is a kind of nitrogen-fixing water ferns in rice paddies. It can also be used as feed for poultry and fish. Foreign agricultural experts participating in an international azolla utilization symposium here attended the founding ceremony. Experts hoped that it would also become a site of international cooperation. [Text] [OW311210 Beijing XINHUA in English 1133 GMT 31 Mar 85]

INTERNATIONAL AZOLLA SYMPOSIUM OPENS--Fuzhou, March 31 (XINHUA)--An international symposium on the utilization of azolla opened here today. Nearly 100 agricultural experts from a dozen countries in Asia, America, Europe, Africa and Oceania attended the symposium to exchange experience in the development and utilization of azolla. Azolla is a kind of green manure with high nutritious value for rice and other plants. The symposium was sponsored by the International Rice Research Institute (IRRI) and the Fujian Provincial Academy of Agricultural Science. [Text] [OW311242 Beijing XINHUA in English 1136 GMT 31 Mar 85]

CSO: 4020/183

GUANGDONG

## EXISTING WATER CONSERVANCY MANAGEMENT REFORM REVIEWED

Beijing ZHONGGUO SHULILI [WATER CONSERVANCY IN CHINA] in Chinese  
No 2, 15 Feb 85 pp 9-10

[Article by Li Decheng [2621 1795 2052] on the Guangdong Province Water Conservancy and Electric Power Department: "Reforming Management and Administration in Existing Water Conservancy Projects"]

[Text] Guangdong is creating a new situation in water conservancy work. The urgent tasks now are to truly strengthen and strive to reform management and administration in existing water conservancy projects, consolidate the existing water conservancy foundation and improve economic results. We should dare to explore and be bold in reforms since there is no other way out without reforms.

### I. Comprehensive Implementation of Various Forms of Economic Responsibility Systems

Multiple forms of economic responsibility systems that focus on contractual responsibility are the key to reforming the shortcomings of "eating out of the big common pot," motivating employees and transforming the situation in project management. Major efforts to extend contractual responsibility in the future should not be limited only to small-scale projects. Medium-scale projects also should actively become involved in contractual responsibility, and large-scale projects also can implement contracts for individual tasks or single activities. There should be contractual responsibility for project management, safety, results, water fee collection and overall administration. In the past, the Baobu Irrigation District in Nanxiong County depended on state subsidies and "drinking water out of the big common pot" to operate, and results were declining. After comprehensive implementation of contractual responsibility systems in 1982, the irrigated area was expanded from 9,200 to 15,000 mu. Income reached 77,000 yuan in 1983 and it is predicted that it may reach 110,000 yuan in 1984, meaning there has been a transition from deficits to self-sufficiency and surplus.



The items for collective contractual responsibility should involve distribution according to the contributions and labor achievements of individuals. Egalitarianism should be prevented. We should permit, encourage and assist some units and employees to become wealthy first through reliance on their own hard work and improvements in the level of management and administration. Economic and technical indices related to safety, results and other needs should be formulated for state-managed projects to serve as a basis for examination. Those persons who contract for technical work should have specialized knowledge. When the contracts expire, there should be measures for direct transfer to assure a good completion rate for the facilities. In addition to being concerned with the material interests of employees, we also should strengthen political and ideological education, afforest projects and beautify the environment, and successfully grasp the construction of both material and spiritual civilization.

## II. Focus Conscientiously on Reform in Water Fees

According to statistics for 1983, the income from water fees in 910 county-run units reached 28.2 million yuan, 11.69 million of this amount coming from reservoir water fees (including water fees for electricity generation), an average of only about 0.8 yuan per mu. The principle used for calculating water fees should be maintenance of simple reproduction. They should include operational expenses for project management, maintenance and repair costs and basic depreciation costs. Difficult [poor] regions may reduce the amount, while economically richer regions should set fees according to this standard, and they should be approved by a congress on results. All areas of the province should strive to revise fee collection standards (including mechanized and electrical drainage and irrigation) and submit them for approval by the government of Guangdong as soon as possible. Cities and counties in all areas should not wait, but should formulate fee collection standards according to the conditions in their own region and submit them for approval and implementation by county and city governments. In principle, water fees for agricultural irrigation should be lower than water fees for industry and for urban household use. Water fees for paddy fields should be lower than those for industrial crops. Fees for industrial recycled water should be lower than fees for consumed water. Some annual repairs on earthworks can adopt labor responsibility methods.

Guangdong Province now has three types of fee collection methods. One is collection by management units themselves. A second is for management units to entrust collection to districts and townships. The third method is for county (city) governments to entrust financial and grain departments with unified collection. Our opinion is that, based on the actual situation, finan-

cial and grain departments or districts and townships can be entrusted with collection and that they should receive specific administrative fees as collection agents. Fees for irrigation water can, when the conditions exist, be collected according to quantity. They can be collected by mu [according to land area] where the proper conditions do not exist. All areas have encountered several problems in requisitioning dike protection fees from industrial and commercial enterprises, and we hope the related counties and cities will do good work. They certainly must implement the "Articles on River Embankment Management in Guangdong Province" promulgated by the provincial government. The water fees are capital that is collected and spent [within projects] themselves. It is not included in local financial income nor taxes paid on it. There should be independent accounting, stronger management and special purpose loans. After application to the income congress and approval by administrative bureaus at the next higher level, project management units should take out some funds from water fees each year for project maintenance. At the same time, they should as stipulated take out major repair fees and depreciation fees and deposit them in special bank accounts for project overhauls and updating. The goals of our efforts are to gradually achieve the ability to solve problems of project management, maintenance, major repairs, updating, transformation and other things entirely through water and electricity fees and to guarantee continued normal operation of projects.

### III. Strive to Develop Comprehensive Management of Water for Agriculture, Industry, Commerce and Tourism.

Comprehensive management is a fundamental responsibility of water conservancy management units and an important component for fostering the benefits of projects. It must be understood that the three tasks of safety, benefits and comprehensive management are the normal duties of water conservancy and hydroelectric power project management, that they are interrelated and mutually promotive and restrictive, and that they cannot be neglected. Water fees and comprehensive management are the two major economic levers of water conservancy management units. With them, water conservancy management units can have a reliable economic foundation for developing in the direction of becoming enterprises and socialization. We should further liberate our thinking. We not only must make full use of the projects themselves, but also the water, soil, technology, equipment and labor resources of the local area. If something is permitted by national policies and needed by society, if it can provide benefits and be handled by the projects themselves, then it should be developed actively to provide even better services to socialist economic development. In the 4 years since the Guangliwei Water Conservancy Conference in Gaoyao County, good project management has been combined with moving into society and assuming contractual responsibility for designing docks, railway bridges, hydroelectric power stations,

locks and other projects. Income from construction was 2.3 million yuan and there were 329,000 yuan in profits. Apart from the 220,000 yuan used for emergencies and strengthening of the dikes, the remainder was used for collective welfare and expanded reproduction. The enthusiasm of the employees is high and project management is improving continually. We must summarize and extend the practice and experiences all areas of Guangdong have gained in recent years.

Water conservancy management units certainly must become involved in comprehensive management and improving the quality of administration. They should move from production to production management forms and from simple administration to economic diversification. They should move from self-sufficient production to commodity production, and from single administration to integrated administration. We must encourage integration between projects and between counties, and between counties and districts or cities. Those with the proper conditions can integrate with areas outside their district, county, province or even outside the country. We must strictly control management staffs and set fixed numbers of personnel and groups. Surplus personnel can be organized for development of comprehensive management, with separate accounting.

In the future, we must concentrate strictly on using workers and expand the contract system for personnel. Capable people can be recruited openly from society. Apart from the original arrangements made by the province for comprehensive management capital, each city, district and county can make appropriate arrangements for assisting units with problems in contractual administration of water used locally in agriculture. A portion of the net profits from comprehensive management should be used for project management, maintenance and reinforcement. With the prerequisite of not affecting project safety and results, other departments who use the area of water conservancy project management and beautiful scenery for developing tourism and entertainment facilities should adhere to the principle of providing benefits for both parties and obtain approval by water conservancy administrative departments at the next higher level.

In order to strengthen comprehensive management and enliven the economy in Guangdong, the Guangdong Water Conservancy and Electric Power Department has decided to establish a Comprehensive Development Corporation that has the nature of an enterprise, independent accounting and responsibility for its own profits and losses. Its tasks are to link up within and import from without, import foreign capital and advanced technical equipment, and directly administer some important enterprises. At the same time, it serves as an information conduit and guides the development of comprehensive administration throughout Guangdong. Cities, prefectures and counties with several water conservancy projects

also can establish similar comprehensive management companies to integrate with higher and lower levels and work together for further development of comprehensive management in Guangdong. Water conservancy project management units are administrative units that practice enterprise management. In order to promote their development as enterprises and socialization in water conservancy management units, each city, prefecture and county should select water conservancy management units with better economic conditions and fairly high levels of self-sufficiency for trial development as enterprises and socialization. They should take the first step, create experience and guide the way overall. Units that are not self-sufficient or have a low standard of self-sufficiency at the present time can continue to operate as administrative units, implement financial contractual responsibility, develop enterprise administration and create the conditions for gradually developing in the direction of becoming enterprises.

#### IV. Water Conservancy and Hydroelectric Power Projects Certainly Must Practice Unified Management

Most of the small hydroelectric power projects in Guangdong Province involve comprehensive development of water conservancy resources. They were constructed with water conservancy investment subsidies, but the income of some projects is not owned by local financial administration. This has led to these power stations turning over profits each year while the water projects and power stations themselves do not have the capital for maintenance, fortification, further construction, outfitting, equipment renewal and other things. Some projects are unsafe and cannot operate normally. Some have two management units for a single project, leading to many contradictions and an inability to utilize fully their water conservancy resources. In order to achieve "using water and electricity to breed water and electricity" [operating water conservancy and hydropower projects with the income from water and electricity], the water conservancy and hydroelectric power projects built by water conservancy departments (including county power supply grids) should be placed under unified management by water conservancy departments. The subsidiary power stations of water conservancy projects focused on irrigation (including behind-dam and canal power stations) should be placed under unified management and unified accounting by water conservancy management units, and their income should be used for maintenance, updating, transformation, further construction, fortification and outfitting of reservoir power station projects.

To strengthen unified management of water conservancy and hydroelectric power, we must establish water conservancy organizations for entire districts and townships. Districts should set up water conservancy and hydroelectric power associations to assume

responsibility for water conservancy and hydroelectric power construction and management throughout the district. Townships should set up water allocation groups. We hope that all counties will speed up the construction of district and township water conservancy organizations and do good work in basic level water conservancy and hydroelectric power work.

V. Do Good Work in Establishing Authority and Issuing Certificates Within Water Conservancy and Hydroelectric Power Projects

We must grasp the opportunity and closely integrate with CPC Central Committee Document No 1 of 1984 that is now being implemented in rural areas. We should grasp the opportunity for readjustment of land and extending the period of contractual responsibility for land to conscientiously do good work in establishing authority and issuing certificates within water conservancy and hydroelectric power project safety protection and the scope of management and administration. We propose that water conservancy departments participate on the formulation of production and capital construction plans. On this foundation, all the forested hillsides, land, surface water and beaches within the jurisdiction of water conservancy and hydroelectric power projects should demarcate clearly administrative authority and issue certificates to bring hydroelectric power management units under unified management and administration. At the same time, we should set aside land for water conservancy and hydroelectric power projects to meet the short-term needs of water conservancy and hydroelectric power construction. There can be short-term contractual responsibility for the land set aside and it cannot be allowed to be wasted. This line of work is extremely important and definitely must receive attention and assistance from local party and government leaders to integrate and readjust land, extend the period of contractual responsibility and implement responsibility systems, and we must do this work well.

12539

CSO: 4007/244

GUANGXI

#### FORUM DISCUSSES PROBLEMS IN AGRICULTURE

HK101220 Nanning Guangxi Regional Service in Mandarin 1130 GMT 9 Apr 85

[Excerpts] Yesterday, the Regional Department of Agriculture, Animal Husbandry, and Fisheries held a forum and invited some 20 experts and technicians of the agricultural meteorological technology department scientific research units, and universities and colleges to the forum to discuss the problems of how to overcome our region's serious natural disasters and to strive for an increase in agricultural production and for a bumper agricultural harvest this year. They were requested to offer advice.

This year, our region has had low temperatures and an unbroken spell of wet weather over a long period of time and it is the most serious since the founding of our country. In February and March, the daily average temperature was 2 to 4 degrees Centigrade lower than in previous years and there were only 40 hours of sunshine. [Words indistinct] has made spring farming very difficult. The seeds and seedlings of paddy rice and maize have seriously rotted. Other industrial crops have not grown well. The rate of spring farming is nearly one season behind previous years.

At yesterday's forum, experts and technicians concerned had a lively discussion of the problems of how to do well in our region's agricultural production under such circumstances. In the light of previous years' experiences in production and of the achievements in agricultural scientific and technological research in our region, they put forward many valuable suggestions. The experts held that in our region's current spring farming, it is necessary to lay stress on a word--rush. That is, we must rush to sow seeds and to manage them.

At yesterday's forum, the experts suggested that all places should seriously sum up previous years' experiences in combating natural disasters and striving for a bumper harvest and in the light of reality, should do well in agricultural production in a down-to-earth manner. Agricultural technological departments must strengthen technological guidance work and must implement technological measures for production as soon as possible. The experts also suggested leading departments, while doing well in grasping early rice production, must make good plans and arrangements for late rice production so as to strive for an increase in production and for a bumper harvest in the whole year.

CSO: 4007/294

GUANGXI

#### BRIEFS

MOUNTAIN AREAS IMPROVEMENTS NOTED--Nanning, April 6 (XINHUA)--China has more than 5,500 scientists working on improving mountain areas, according to a national meeting in session here. The scientists, in more than 20 specialties of agriculture, natural sciences, industry and commerce, have surveyed natural resources and organized research projects in 27 of China's 30 provinces, municipalities, and autonomous regions. Mountain areas, hilly land and rugged highland, accounting for two-thirds of China's land, have received increasingly great attention since 1979 as they strive to move away from the traditional single grain production. Experts and scientists in Guangxi Zhuang Autonomous Region, South China, have research projects on comprehensive sweetgrass planting, technology of high-yield citrus and its storage, and other fields, the meeting was told. The government has invested 16 million yuan in the past three years in science and technology development projects in mountainous areas, and the turnovers are estimated at 100 million yuan. The economic structure of some mountain areas is being improved with the help of the experts. For example, Jinzhai County in Anhui Province has shifted from a grain production priority to cultivating bamboo and tea groves and food processing industries. This has increased local prosperity, according to the meeting. [Text] [OW060744 Beijing XINHUA in English 0711 GMT 6 Apr 85]

TREE PLANTING--Since spring began, the region's people of various nationalities have actively planted trees. By 25 March, the region had afforested over 2.72 million mu, overfulfilling this year's assigned target by 13.3 percent. At the same time, the region had afforested more than 2.01 million mu of slopes, and had planted over 7.5 million trees in surrounding country. To date, the region's agricultural banks have provided more than 34 million yuan of loans for the project. [Summary] [Nanning Guangxi Regional Service in Mandarin 1130 GMT 1 Apr 85 HK]

CSO: 4007/294

HEILONGJIANG

ZHANG RUOXIAN ON PORK, VEGETABLE, GRAIN, OIL PRICES

SK300918 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 29 Mar 85

[Text] The provincial people's government will relax the restriction on pork prices beginning 1 April, gradually ease the restriction on vegetable prices, and will readjust grain and oil prices in rural areas in an adequate manner.

At a press conference sponsored by the provincial people's government on the afternoon of 29 March, Zhang Ruoxian, secretary-general of the provincial people's government and government spokesman, stated: Beginning 1 April, the province will abolish a unified price for pork and meat, as well as a ration card system in order to achieve an unrestricted meat supply. The price of pork can be fixed in line with the situation of supply and sales, and the purchase of pork can be made at negotiated prices. The price guideline enforced recently is that the purchase price of hogs increases about 0.2 yuan per jin and the sale price of pork increases about 0.6 yuan per jin. In line with these prices, localities across the province may adopt flexible measures for controlling meat markets according to their supply and demand. Meanwhile, efforts should be made to set different prices between urban and rural areas in line with local conditions and between the off seasons and the peak periods, and also to set different prices according to different seasons and in line with the quality and variety of pork, such as between fresh and frozen pork, between indigenous and imported pork, and between fat and lean pork.

Hereafter, it is estimated that the price of pork will gradually decline in line with the development of hog raising and the purchase and sales of hogs. Therefore, the 0.6-yuan increase in the pork sale price should be the peak and localities across the province should refrain from surpassing this price. After the price hike of pork, the state will provide corresponding subsidies for urban nonagricultural residents. In April, such subsidies will reach every staff member and worker in their salary.

In referring to vegetable prices, Zhang Ruoxian stated: Various counties throughout the province have already been freed in conducting vegetable production, resulting in great progress in production. In line with their actual situation and conditions, large- and medium-sized cities throughout the province should gradually ease their restrictions on vegetable production. Generally speaking, they should ease their restrictions on vegetable



production in the peak periods. After the relaxation of restrictions, they must adopt measures to ensure the supply of vegetables, to maintain relative stability in vegetable prices, and to prevent arbitrary price increases. The key vegetable corporations should continuously play their role of being a main channel in vegetable transactions.

In referring to grain prices, Zhang Ruoxian stated: To promote the readjustment of the production structure in rural areas to further enliven the rural economy and improve the irrational rural phenomenon in which sale price of grain is lower than the purchase price, the province will abolish the system of the unified purchase of grains and enforce the contract system of purchasing grains this year. Peasants may sell their excess grains at markets. If the price at grain markets is lower than the contract price, the grain department will be also responsible for purchasing the peasants' excess grain at the fixed price so as to protect the interests of the peasants. The price of grains and food oil provided for urban residents cannot be increased. The grain and food oil resold to rural areas, including food grain, fodder grain, and relief grain, can be sold at the original purchase price.

Zhang Ruoxian stated: After easing the restriction on pork prices, the price of products made from pork fat, including soap and pigskin products cannot be increased. Prices of industrial commodities should be totally separated from price hikes of pork and cannot be increased by taking advantage of pork price hikes. Except for state approved price hikes, the prices of all commodities and supplies cannot be increased--rent, water and electric supplies, urban coal supply, white sugar, milk, bean products, and television sets.

Zhang Ruoxian stated: The actual living standard of the majority of urban people throughout the province will by no means decline from price hikes. On the contrary, following the development of the economy, it will be somewhat upgraded. He stated: Effective 1 April, the provincial people's government will carry out general price inspections throughout the province.

CSO: 4007/294

HEILONGJIANG

LI LIAN SPEAKS AT RALLY ON NAMING VEGETABLE EXPERT

SK020536 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 1 Apr 85

[Report on the rally held by the Shenyang Military Region on 1 April to name Comrade Han Song as vegetable growing expert--portions recorded]

[Excerpts] The rally held by the Shenyang Military Region to dub Comrade Han Song an expert of growing vegetables in cold upland areas is now beginning.

Since his enlistment in the armed forces in 1981, Han Song has assiduously studied the skill of growing vegetables in plastic-sheet houses in cold upland areas by combining the knowledge obtained from books with the special feature of the cold upland areas, thus finding out a set of methods to grow vegetables in plastic-sheet houses in the northern border areas. Over the past 4 years, Han Song has produced some 100,000 jin of fresh vegetables, thus thoroughly ending the situation in which the PLA men stationed locally were supplied with only frozen and salted vegetables throughout the year, except for summer, and making outstanding contributions to solving the problem in obtaining vegetables for the PLA men and the people in cold upland areas.

Li Dehe, commander of the provincial military district, read out the orders issued by Li Desheng, commander of the Shenyang Military Region, and Liu Zhenhua, political commissar of the Shenyang Military Region, concerning dubbing Han Song an expert of growing vegetables in cold upland areas. Li Lian, secretary of the provincial CPC committee and first political commissar of the provincial military district, and Li Dehe awarded prizes to Han Song.

Li Lian spoke at the rally. He said:

[Begin recording] Today I am very glad to participate in, on behalf of the provincial military district, the rally held by the Shenyang Military Region to dub Comrade Han Song an expert of growing vegetables in cold upland areas. Following Comrade Zhang Chunyan, a model instructor of building the frontier, Comrade Han Song is another typical representative of the numerous advanced figures that have emerged in the provincial military district. The fact that the Shenyang Military Region confers such a lofty title of expert of

growing vegetables in cold upland areas on Comrade Han Song is not only an honor to himself, but also an honor to the provincial military district and the people across the province. I hereby extend my warm congratulations to him, on behalf of the provincial CPC committee and the people across the province. At present, the new technological revolution which is emerging on a global scale presents new challenges to our scientific and technological work and also presents us opportunities to accelerate education in science and technology, exploit intellectual resources, and train competent people. We should face up to these challenges, seize these opportunities to popularize and improve the scientific and general knowledge, should accelerate the development of the vegetable growing work, improve the quality of the vegetable growing work, and train still more vegetable growing experts competent for both military and civilian services in order to make due contributions to speeding up the modernization of the army and to the vigorous development of the entire national economy. [end recording]

Attending the rally were the provincial leading comrades, including Wang Lianzheng, Wang Luming, Wei Zhimin, and Wang Weizhi. Also attending were the appropriate responsible comrades of the Shenyang PLA Units and the provincial military district.

CSO: 4007/294

HEILONGJIANG

# RECORD PADDY RICE PROCUREMENT REPORTED

## Surpasses One Billion Jin

Harbin HEILONGJIANG RIBAO in Chinese 14 Jan 85 p 1

[Article: "Warehoused Paddy Rice Surpasses One Billion Jin in Heilongjiang--44.8 Percent Higher Than the Previous Highest Amount Warehoused"]

[Text] Statistics from the Heilongjiang Provincial Grain Bureau indicate that 1.108 billion jin of requisitioned paddy rice had been put into warehouses in Heilongjiang Province by the end of December 1984. There was 203 percent completion of contractual responsibility tasks for product varieties, more than double the 1983 bumper paddy rice harvest. The previous highest amount of paddy rice warehoused was 765 million jin in 1959. The amount warehoused last year was 144.8 percent the amount stored in 1959.

## Commentary on Paddy Output

Herbin HEILONGJIANG RIBAO in Chinese 14 Jan 85 p 1

[Commentary: "An Important Turnaround"]

[Text] A new climate has come to town this winter. Increased amounts of northeastern rice, usually considered a scarce grain, can be seen repeatedly. This is very gratifying. We have learned that this transition from "scarce" to abundance is the result of a bumper paddy rice harvest. For years, Heilongjiang usually warehoused only 300 to 400 million jin of paddy rice each year. We now have surpassed 1 billion jin, a doubling or quadrupling. This is a profound breakthrough.

Peasant production now reflects objective economic laws to a substantial extent. Last year's surge in paddy rice output was no accident. The increased grain in recent years has made urban and rural people concerned with varieties and quality. This need must of course be reflected by the peasants. The opening of markets and preferential policies for grain and the excellent economic results for rice are a factor in the expanded planting of paddy rice by the peasants. Moreover, advanced science and technology is being applied. Examples include the dissemination of sparse planting techniques for paddy rice in cold areas, the extension of industrialized seedling raising,

the utilization of herbicides, and so on. The substantial increase in paddy rice yields has caused the peasants to switch from upland to paddy and decide to plant rice. This shows that the substantial development of paddy rice is an inevitable result of rural economic reforms, continuous bumper farm harvests and the popularization of agricultural science and technology. It means that there is a major transition in which consumers are changing from wanting to eat their fill to wanting to eat well, and in which grain production is moving from quantitative to qualitative concerns.

This news about grain production demands that all cadres keep up with the situation in their ideology and work, and that they provide guidance according to circumstances to create a new situation. They must concentrate on quality as well as quantity. They cannot focus on a single variety but must consider consumer demand, arrange production according to market demand, concentrate on a variety of products and high-quality products, and especially that they should increase the planting of fine grains. This requires a lot of work. For paddy rice, there are many problems related to water, electricity, capital, machinery, seeds, techniques and other questions that must be solved, and there is much potential awaiting exploitation. Likewise, the development of other fine grains and high-quality grain varieties requires a foundation of resource investigation, unified planning with consideration for all factors and rational readjustment. There must be strengthened leadership and more coordination. Only then can we advance rapidly and at a stable pace, meet the needs of society and achieve better economic results.

There is intense competition in the grain market. The strongest in this new competitive arena will be determined by how well this turnaround proceeds.

12539

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## PROVINCIAL DAILY DISCUSSES GRAIN PROCUREMENT PROBLEMS

Harbin HEILONGJIANG RIBAO in Chinese 6 Aug 84 p 1

[Commentary: "Grain Procurement Problems Discussed"]

[Text] According to the estimates of relevant departments, barring abnormal weather conditions in the coming half month, Heilongjiang this year may look forward to another bumper wheat harvest second only to last year's extraordinary bumper crop. At present, grains stored in key wheat-growing areas are saturated with old stocks while stocks are also large in distribution areas. Consequently, some quantity of wheat will not be immediately taken into state warehouses. In the light of the present growth trend, and barring extraordinarily large natural calamities before the autumn harvest, fairly abundant crops can be expected. By that time, as at present, the same problems of inadequate procurement and storage facilities will be encountered. Therefore, a full estimate of this year's new grain procurement situation should be made so as to be prepared in advance and ahead of lean years.

In the first place, it is gratifying that grain output has surpassed storage capacity. It underlines the accelerated development of agricultural production following the introduction of the responsibility system in farming. Viewed as a whole, China's food supply is still insufficient, calling for the still greater development of grain output and ruling out the need for curbing production. The tough problem of selling grains as it exists today is mainly due to the inadequate existing facilities for collecting and storing as well as inefficiencies in administrative systems. These should be changed in order to cope with changing circumstances. On the one hand, efforts should be made to increase and improve procurement facilities, on the other hand, reforms in the food administration systems are necessary.

Heilongjiang has decided on an open market, beginning with the appearance of summer grains and vegetable oils on the market, while guaranteeing the fulfillment of wheat purchase contracting jobs in order to promote multi-channel operations. At the same time, supply and marketing cooperatives, other rural cooperative businesses and individual peasants are allowed to buy and sell in cities and even outside the county and province. The food department in Zhaodong is prepared to set up joint purchasing points, permitting peasants to stock grain on behalf of the state and assisting them in transporting and selling grain. These and other measures are attempts

helpful to the establishment of new ways of grain distribution. Under China's current conditions, the problem of selling grain can only be overcome if the state, the collective and the individual adopt multipurpose operations, such as storage, sale, transportation, processing, etc., apart from opening up various channels to speed up distribution. The comrades of food departments should actively carry out reforms with the guiding thought of coping with the new circumstances confronting the task of grain procurement.

Agricultural departments should also positively support the reforms. At present some production units have become so accustomed to years of old practices that they are reluctant to stock grain on behalf of the state, preferring instead: "We look after harvesting and you take care of procurement." They do not understand that under existing conditions the state is unable to build enough warehouses for procured grain and that both the state and the peasants will benefit if the latter stock up grain for the state. As an important element of social reproduction, lack of circulation is counterproductive to production; if grain is not sold production will suffer.

Distribution areas should also be well coordinated. One reason why granaries in some distribution areas are not stocked up this year is that after the implementation of the financial responsibility system local financial departments are apprehensive of incurring more losses from large stocks. They should know that in the long run financial revenue can only be derived from the satisfactory development of production. With grain output rising rapidly, it is in the interest of the overall situation to widen and open up channels for grain distribution in every sector. No one should indulge in selfish calculating.

In sum, in grain procurement and marketing this year, we face new developments and problems that are quite different from those in the past, particularly in segments such as procurement, storage and processing. The comrades of food departments must liberate their thinking and be determined to reform and study ways and means of how to formulate new policies and introduce new measures for solving this major problem.

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CSO: 4007/3

HEILONGJIANG

BRIEFS

ZHAO ZIYANG LAUDS FORESTRY BUREAU--Harbin, 1 Apr (XINHUA)--The area of man-made forests planted by Heilongjiang's Dailing Forestry Experimental Bureau, where China's forestry modernization experimental base is located, has exceeded one-third of the total forest area under its jurisdiction. The bureau was praised by Premier Zhao Ziyang when he made an inspection tour of Heilongjiang recently. The bureau has devoted constant efforts to planting trees on large tracts of land since 1951. It has kept up with the rate of lumbering by planting new saplings to replace felled trees. In the past 20 years and more, the bureau has felled some 370,050 mu of trees, but has replanted 525,000 mu of trees. [passage omitted] At present, the timber of the bureau is growing at the rate of 280,000 cubic meters a year. This is basically equal to the annual consumption of forestry resources. Since the adoption of the economic contract responsibility system for afforestation work in the past few years in particular, the bureau has been able to afforest more than 25,000 mu of land a year. [passage omitted] Of the larches planted many years ago, some 150,000 mu of them have become fully grown forests with a reserve of some 980,000 cubic meters of timber, producing 4,000 cubic meters of timber a year, or equivalent to more than 800,000 yuan. In recent years the bureau has succeeded in selecting, by experiment, some quick-growing poplar strains suitable for growing locally. The bureau is gradually the proportion of these strains in afforestation. [Excerpts] [OW010629 Beijing XINHUA Domestic Service in Chinese 0048 GMT 1 Apr 85]

ZHAO ZIYANG PRAISES FORESTRY EFFORT--Harbin, April 4 (XINHUA)--Premier Zhao Ziyang praised a Heilongjiang Forestry Bureau during a recent inspection tour for having planted more trees than felled in the past three decades. Founded in 1951, the Dailing Forest Experimental Bureau, one of China's modern forestry pilot centers, has logged trees on 25,000 hectares while reforesting nearly 35,000 hectares, with about 85 percent survival rate. It has also transformed 2,460 hectares of marsh and 7,460 hectares of barren mountains into forest zones. The forests managed by the bureau produce 280,000 cubic meters of standing timber a year, equaling the amount of timber logged, according to the bureau. No single fire accident has taken place in the forest zone in the past 32 years, thanks to a mass mobilization to protect the forests. The bureau has reported nearly 100 results in scientific research, and many have been applied in Northeast China's forest zones. Heilongjiang Province in Northeast China is the country's leading timber producer. [Text] [OW041151 Beijing XINHUA in English 0743 GMT 4 Apr 85]



RECORD WHEAT OUTPUT--China's largest state farm, the Fayi farm in Heilongjiang Province, relied on advanced agricultural machinery, science and technology and this year reaped a bumper wheat harvest on a large acreage. Total output amounted to 202 million jin and the per unit area yield averaged 362 jin; this was the highest for any one year in the 30 years since the farm was established. [Text] [Beijing ZHONGGUO NONGMIN BAO in Chinese 4 Sep 84 p 1] 12513

GRAIN PRODUCTION--Harbin, 19 Mar (XINHUA)--Heilongjiang's total grain output in 1984 reached a record-high 25 billion jin. In view of the excessive supply of grain, peasants in the province plan to grow less in grain crops. As a result, the total acreage of farmland sown to millet has been reduced by 4 million mu in 1985 as compared with 1984. The provincial CPC committee and the provincial people's government have now stressed the significance in growing grain crops and encouraged peasants to maintain grain output. [Summary] [Beijing XINHUA Domestic Service in Chinese 0830 GMT 19 Mar 85 OW]

RESERVE GRAIN TO BREEDING HOUSEHOLDS--Our province will sell 1.8 billion jin of its reserve grain to rural specialized breeding households, state breeding farms, and animal feed processing plants at the parity price so that they can use it to increase the production of meat, poultry, eggs, milk, and aquatic products. According to the arrangements of the provincial grain bureau, 900 million jin of the grain will be used in developing hog raising. The provincial food company will distribute the grain to hog-raising households in exchange for hogs. The remaining 900 million jin will be used to produce mixed feed, which will then be supplied to rural breeding households, and urban households specializing in breeding chickens, hogs, and milk cows. At present, 75 animal feed processing plants, whose production capacity is 850,000 tons, will use the grain and other feed to supply the breeding households with 500,000 tons of quality mixed feed with various nutritious ingredients. [Text] [Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 28 Mar 85 SK]

CSO: 4007/294

HENAN

# MEETING DISCUSSES PRODUCTION IN DISASTER AREAS

HK310237 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 30 Mar 85

[Excerpts] An on-the-spot symposium on self-salvation through production in disaster areas of Henan was held in Shenqiu County of Zhoukou Prefecture from 26 to 30 March. Yue Xiaoxia, member of the standing committee of the provincial advisory commission, attended and gave a summation.

Yue Xiaoxia pointed out: In the previous stage a lot of work was done to arrange the livelihood of the disaster victims. In particular this was done relatively soundly in severely stricken areas, enabling the victims to get through the winter safely. However, we have now reached the crucial moment when the new crop is still in the blade and the old crop is all consumed. We cannot relax disaster relief work; we must be very careful and not become in the least negligent. The guiding ideology of focusing on self-salvation through disaster in severely stricken areas before the wheat harvest cannot be changed. The principal responsible comrades must continue to grasp disaster relief work. The disaster areas should promote diversification and commodity production.

It is necessary to step up the work of comprehensive treatment of notorious disaster areas, and reform the method of issuing relief funds.

The meeting stressed: The leaders at all levels must improve work style, go deep into reality and the grassroots, and promptly handle problems discovered.

CSO: 4007/294

HUBEI

# HUBEI GOVERNOR NOTES IMPORTANCE OF RURAL REFORM

OW301238 Beijing XINHUA in English 1223 GMT 30 Mar 85

[Text] Beijing, March 30 (XINHUA)--Rural economic reform necessitates the reform in cities, a governor said today at a discussion on Chinese Premier Zhao Ziyang's report on government work.

Huang Zhizhen, governor of Hubei Province and a deputy to the National People's Congress, said the success of rural economic reform had also paved the way for urban reform.

Economic reform had started in almost all cities in this Central China province, he added.

Earlier, Premier Zhao Ziyang had called on the nation to "lose no time in pushing the reform forward," in his report on the restructuring of the national economy with the focus on urban reform at the opening of the annual NPC session.

Governor Huang said the rural economy had developed rapidly in Hubei as a result of economic restructuring.

Last year, the governor said, the gross output value of the province's rural industry had increased to 6.5 billion yuan, 2.5 billion yuan more than the previous year.

Rural Hubei could now provide a large amount of materials, funds and labor, he said, which needed to find outlets in the cities.

At the same time, the governor added, the countryside expected advanced technology and economic information from the cities for further development.

The economic structure of the cities had to be reformed, the governor said, otherwise it would become a drag on the rural economic reform.

Last year, he said, Hubei Province conducted an experimental economic reform in Wuhan, Central China's biggest city.

Its economy was invigorated because of the decentralization, provision of greater decision making powers for enterprises and the promotion of commodity circulation, he said.

Over 40 major industrial enterprises formerly run by the province, including the Wuhan Iron and Steel Company, had been turned over to Wuhan City, he said.

Reform of the urban economic structure, in turn, had promoted commodity production in the countryside, the governor said.

Economic exchange between the cities and the surrounding countryside had been strengthened, which added an impetus to the development of the rural economy.

Economic restructuring in both the rural and urban areas had brought an obvious expansion to the provincial economy, he said.

Hubei's gross output value of industry and agriculture last year reached 53.5 billion yuan, an 18.4 percent increase over the previous year.

At the present speed, the governor said, the province's gross output value could double by 1988.

CSO: 4020/183

HUBEI

BRIEFS

DOCTOR OF AGRONOMY RECEIVES DEGREE--Wuhan, March 20 (XINHUA)--The first doctor of agronomy trained in China was awarded his degree certificate on Monday at the Central China Agricultural College in this capital of Hubei Province. "This represents a new milestone in the country's agricultural education and development of agricultural sciences," said Professor Sun Jizhong, president of the college, after presenting the certificate to Meng Jinling. Meng, 37, took up the doctorate course under the tutorship of Rape Plant Expert Liu Houli in March 1982 after he finished his master's degree. During the three-year course, he completed a research project, which was of great importance, both theoretically and practically, to the prevention of degeneration of rape plants (*brassica natella*), the oil-bearing crop widely grown in Southern China. [Text] [OW201614 Beijing XINHUA in English 1507 GMT 20 Mar 85]

CSO: 4020/183

HUNAN

#### BRIEFS

RAMIE DEMAND, PROBLEMS DISCUSSED--In the wake of the smooth transfer of ramie to the international market, new problems have now emerged in which its production, procurement and processing in Hunan which should be given serious attention by the departments concerned. First, the market price is chaotic, which affects planned procurement. Because of the prominent supply and demand contradiction, the state, collectives and individuals are in competition and rush to purchase it; this is serious because they do not take quality into account or separate it into grades and price it accordingly. The market price for ramie has increased from about 112 yuan per dan to about 150 yuan, which is a 34 percent rise. This exceeds the provincial government's provisional 29 percent increase and thus is bound to affect planned procurement and result in the departments in charge not being able to purchase ramie and the state's adjusted plan offering no guarantee of procurement. Second, there is the problem of duplication and blind production. Because the technology for rough processing of ramie is simple and its value has appreciated, state-run operations, collectives, rural enterprises and specialized households in the countryside have rushed headlong into mass action and one after another set up degumming plants. In Nanxian County alone there are 39 ramie drying plants and 46 which await the converted product or are presently being readied. A situation has emerged where the large factories cannot be supplied enough and the small ones are not running very well. The overwhelming majority of small factories have no facilities to handle pollution and the quality of their products frequently does not measure up to the requirements of the international market. Therefore, an important problem demanding prompt solution is how to carry out a reorganization. [Text]  
[Beijing JINGJI RIBAO in Chinese 22 Sep 84 p 3] 12513

CSO: 4007/45

JIANGSU

# JIANGSU PLANS MORE RURAL PRODUCTION FOR EXPORT

OW271418 Beijing XINHUA in English 1354 GMT 27 Mar 85

[Text] Nanjing, March 27 (XINHUA)--Changes are being made to Jiangsu Province's rural production pattern to better serve the needs of the international market.

Pioneering the effort is the Yangtze River Delta--one of China's richest areas--where ten centers producing special export goods are being developed, provincial officials said here today.

The centers are in rural areas around the cities of Suzhou, Wuxi and Changzhou. The cities and 12 surrounding counties on the delta are now an economic open zone in accordance with a latest decision of the central government.

Chinese leaders have since last year repeatedly called for developing the Yangtze River Delta--the Pearl River Delta in Guangdong and parts of Southern Fujian as well--into export goods producing areas. From now on, production there will be undertaken according to overseas market demand.

The new Jiangsu centers include a loquat and plum producing area near Taihu Lake, an apple producing center covering 10 counties and pig-raising areas in eight counties, provincial officials said.

Other centers will concentrate on producing high-quality rice and cotton, rape-seed with low erucic content and lean meat pigs.

As a matter of fact, according to officials here, Jiangsu plans to plant 267,000 hectares more high-quality rice this year than last. There will also be significant increases in the sown acreage to vegetables, fruits, sugarbearing crops and flowers.

Seven large poultry farms are being built to increase the output by 100 million fowl this year, officials added.

The province also expects to raise an extra 20 million pigs, five million more rabbits and 32,500 more tons of fish a year.

Processing, packing, storage and transport facilities will be upgraded to speed the flow of agricultural exports, the officials said.

JIANGSU

# BRIEFS

**BONUS GRAIN FOR COTTON PRODUCTION**--In the spirit of a relevant State Council announcement and with the concurrence of the Jiangsu People's Government, the Provincial Supply and Marketing Cooperative, the Agricultural and Forestry Department and the Grain Bureau issued on 19 July this joint notice: as of the 1984 new cotton crops, Jiangsu will award bonus grain when purchasing cotton. The notice specifies that for each jin of first to seventh grades of ginned cotton cotton growers sell to the state they will receive 8 liang of unprocessed grains, with wheat and miscellaneous grains in equal portions. Those who want grain are given grain while those who do not, will be paid the difference between the price of the cotton sold to the state and that of bonus grains given in equal portions. Local food departments sell to cotton growers according to the receipts issued by the cotton-purchasing outlets of the supply and marketing cooperatives. The notice also stipulates that since cotton cloth and cotton wool are no longer in short supply, the practice of exchanging retained cotton for bonus grain will be discontinued. Except for retained cotton, growers selling to the state first to seventh grades of cotton are entitled to prices over and above those set for the unified cotton procurement program, in addition to bonus grains and fertilizers. According to the relevant Jiangsu department, the current practice of awarding 70 jin of chemical fertilizers for every 100 jin of ginned cotton sold to the state is followed, consisting of 50 jin of nitrogenous fertilizer and 20 jin of phosphorus fertilizer. Such bonus chemical fertilizers are exclusively allocated by the provincial authorities only to those who sell cotton to the state, with guarantees from various areas that such specified arrangements are to be adhered to, regardless of any attempt or pretext to alter them. [Text] [Nanjing XINHUA RIBAO in Chinese 24 Jun 84 p 1] 12661

**FLOWERS, TREES SPREAD TO CHINA, ABROAD**--Nanjing, March 27 (XINHUA)--Flowers and decorative trees will be planted on 6,600 hectares of Jiangsu Province this year--43 percent more than last year--to meet market needs, say local officials. Jiangsu's flower-growing industry dates back more than 1,000 years. It now has seven centers cultivating 100 varieties of flowers and trees. About 80,000 families now specialize in flower-growing--more than double the number in 1983. Last year, the province sold more than 150 million yuan worth of flowers and trees, 50 percent more than in 1983. And this year, officials predict that the figure could rise to 200 million yuan. Jiangsu's flowers and trees are sold in many parts of China, and some are exported abroad. Provincial sales staff have been sent all over the country to promote the industry. [Text] [OW270226 Beijing XINHUA in English 0213 GMT 27 Mar 85]



JILIN

CHINA DAILY REPORTS ON JILIN'S EFFORTS TO USE EXCESS GRAIN

HK100421 Beijing CHINA DAILY in English 10 Apr 85 p 1

[Article by Yu Wentao]

[Text] Jilin Province is urging farmers to raise more livestock and poultry and to develop the food-processing industry so that its surplus grain can be transformed into meat, eggs and milk.

The responsibility system has brought Jilin more grain but also a few worries.

Governor Zhao Xiu, who is in Beijing attending the Third Session of the Sixth National People's Congress, said the province produced 32.69 billion jin of grain last year. After deducting State quota purchases and urban consumption, there were still 15 billion jin of surplus grain.

"The only way out is to encourage livestock-raising households and county-run or village-run food processing plants," said Zhao.

Zhao told CHINA DAILY that last year his northeastern province transformed 3 billion jin of surplus grain. "It is far from enough," the governor said.

The best example of grain transformation is Huaide County, which became a district of Gongzhuling City last month.

In 1984, Huaide County harvested 3.17 billion jin of grain. Apart from the State quota purchases, it still had 900 million jin of grain.

Due to the encouragement of the country government, the peasants raised 2.7 million chickens and ducks, 480,000 pigs, 48,750 oxen, 51,040 goats. In this way, the county transformed 370 million jin of grain into meat, eggs and milk.

The upsurge in animal husbandry has spurred the county's feed industry. A feed-processing plant with yearly output of 30,000 tons went into operation last year.

Zhao said that the grain transformation is a success, which has been affirmed by General Secretary Hu Yaobang and Premier Zhao Ziyang during their inspection tour of Jilin.

Zhao listed four advantages of the grain transformation:

First, it can solve the surplus grain problem within the province and lighten the burden on the State;

Second, farmers can increase their income by raising livestock and poultry;

Third, urban residents can buy more meat, eggs and milk;

Fourth, it is beneficial to the development of small and mediumsized enterprises in countries.

Zhao pointed out that it is not economic to feed grain to livestock and poultry. Grain should be first processed and re-processed and then the leftover bits and pieces can be used as feed.

At present many small shops which turn out bean curd, soybean oil, starch, soy sauce and wine have been set up in rural areas.

CSO: 4020/183

JILIN

## CONVERTING CORN TO FEED PROMOTED

Beijing JINGJI RIBAO in Chinese 25 Sep 84 p 1

[Article: "This Year Jilin To Convert 2 Billion of Corn on the Spot; Brings Strength of State-run, Collective and Individual Operations into Play To Expand Feed, Food and Livestock Industries"]

[Text] Jilin Province, which has experienced bumper harvests for several years running, brought fully into play the strength of state-run, collective and individual operations to expand the feed, food and livestock industries as an outlet for grain which could not otherwise be utilized. This year they could convert more than 2 billion jin of corn on the spot of their own accord, which will have a definite effect on relaxing the storage pressure.

Grain in Jilin increased sharply from 20 billion jin-plus in 1982 to 30 billion jin last year; stored grain amounted to 16 billion jin. Although urgent measures were adopted and 8 billion jin of grain were promptly transferred to other localities, there was still great pressure on storage. The Jilin provincial CPC committee and the government held many meetings, studied the matter of converting the grain, decided to make multiple processing an issue and expanded such food industries as wine making, beer brewing, sugar refining and starch processing. The Ministry of Light Industry appraised the corn and millet wine developed last year as comparing favorably with Shaoxing wine; the 5,000 ton yumi wine shop constructed in Changchun City is now in operation. All white spirits, ethyl alcohol and starch processing throughout the province uses corn as a raw material or as a supplementary raw material in the place of rice. The quality of the vermicelli made from corn by the township and town enterprises and rural specialized households is just as good as that made from miscellaneous pulses. According to statistics, this year the food industry alone could convert 2 billion jin of corn on the spot throughout the province.

The feed industry has expanded quite rapidly in Jilin in recent years; this year they have newly constructed or expanded 29 feed processing plants, introduced advanced technology from abroad and set up jointly with Thailand a feed processing plant with an annual capacity of 50,000 tons. There are presently more than 1,000 collective and individual feed processing enterprises in the rural areas throughout the province; total feed output is 1 million tons, which is a 1.5-fold increase over last year.

Although Jilin has enjoyed bumper grain harvests for several years running, pork supplies must be transported in from other parts of the country. In order to rectify this abnormal situation as quickly as possible, this year major efforts have been devoted to expanding the livestock industry, especially encouraging qualified specialized households to raise hogs, cattle, sheep and poultry. Livehog production is now beginning to pick up, the number of large livestock has increased 9 percent and there is an unlimited supply of eggs and poultry. In addition, some grain was converted by using it as remuneration to replace investment in the course of constructing public water conservancy installations in the countryside.

12513

CSO: 4007/45

JILIN

CIRCULAR ISSUED ON COMBATING LOW TEMPERATURE

SK101208 Changchun JILIN RIBAO in Chinese 27 Mar 85 p 1

[Text] According to a forecast by the provincial meteorological observatory, atmospheric temperature throughout the province will generally be low during the crop growth period. During the period from May to September 1985, the general accumulated temperature throughout the province will be lower than in 1983 and 1984, and, at the same time, it is possible that the accumulated temperature in this period will be lower than the average annual accumulated temperature by 40 to 70 degrees. Most areas will be short of warmth and suffer obvious variations between cold and warm periods. Therefore, the provincial agricultural and animal husbandry department issued a circular calling on all localities to conscientiously sum up experience and lessons, to upgrade the understanding of and foster ideas on struggling against disasters throughout the year in order to capture bumper harvests, to implement measures, and to carry out the work thoroughly.

The circular pointed out: During the past few years, some localities had a serious situation of growing crops beyond the fixed growing areas. These localities should conscientiously solve the problems in this regard. In light of the climatic conditions, we should make rational arrangements for growing crops in order to ensure safe growth of crops in the period of low temperatures. All localities should begin sowing at an early date and pay attention to the quality of sowing in order to do a good job in sowing and to ensure a full stand of crops. Simultaneously, they should enthusiastically carry out all technological measures for promoting an early ripening. All localities should conduct general investigations on the preparatory work for sowing and the measures for fighting against low temperature. Efforts should be made to solve the problems in a timely manner, if any are found. Agricultural departments should enthusiastically and actively give guidance to leaders, timely offer information to them, and exchange information with relevant departments to jointly fight against low temperatures in order to achieve the agricultural production for 1985.

CSO: 4007/294

JILIN

# BRIEFS

AFFORESTATION COMMENDATION RALLY--After a 2-day session, the Jilin provincial meeting to commend young people who did good jobs in making the motherland green ended in Changchun on the afternoon of 27 March. In 1983 and 1984, the youth in the province planted 574 million trees and volunteered to plant 157 million trees, thus planted trees on 5,180 kilometers of roads, and collected 2,537,950 jin of grass and tree seeds. [Summary] [Changchun Jilin Provincial Service in Mandarin 1030 GMT 27 Mar 85 SK]

AFFORESTATION PLAN--This year, Jilin Province plans to afforest 3.45 million mu of land, to plant 54.47 million trees on a voluntary basis, and to cut and reforest 340,000 mu of land. [Summary] [Changchun Jilin Provincial Service in Mandarin 1030 GMT 2 Apr 85 SK]

CSO: 4007/294

LIAONING

LIAONING SETS UP RURAL TECHNOLOGY PILOT BASE

OW081121 Beijing XINHUA in English 0813 GMT 8 Apr 85

[Text] Shenyang, April 8 (XINHUA)--Liaoning Province has designated an area of the countryside as a pioneer base this year in adopting the latest scientific and technological results to the rural areas, the Provincial Department of Science and Technology announced today.

The move is aimed at enabling the base--composed of three counties, 20 townships and 100 villages--to become a prosperous and technically developed area, an official said.

The provincial government has allocated 10 million yuan in discount loans this year for the project, which is scheduled to be completed in 1987.

All units of the base will draw up overall loans for scientific, educational and cultural development, and engage in agriculture, industry and commerce at the same time.

Haicheng County in Central Liaoning plans to double its agricultural and industrial output value to two billion yuan over the next three years.

Meanwhile, two other traditionally poor counties--Kazuo and Fuxin in Northwestern Liaoning--will increase their agricultural and industrial production threefold in 1987. All other pilot townships and villages will also double production value in the same year.

Fuxin will produce 50,000 tons of milk products, meat and eggs a year by 1987--more than any other county in the province.

Liaoning's farming has been progressing steadily in the last few years, following the application of 300 agricultural research results. There are now 140,000 rural households chosen as pilots in experimenting with new agrotechniques.

The pilot village of Baimiaozi, on the outskirts of Jinzhou City, has established technical cooperation ties with 21 research institutes both in and outside Liaoning. It plans to produce 10 million yuan worth of goods this year--11 times the 1984 figure. And this is expected to soar to 50 million yuan in 1987.

LIAONING

BRIEFS

PEASANTS' LIVING STANDARD UPGRADED--According to data sample survey compiled by the provincial statistical bureau with regard to the living standard of 1,100 farming households of 18 districts and counties, as of the end of 1984, per peasant housing acreage reached 13.2 square meters, 1.1-square-meter increase over the 1983 figure. Some 27 percent of these households owned a television set, a 70-percent increase over the 1983 figure. The number of recorders owned by farming households scored a 170-percent increase over the 1983 figure, and washing machines, a 210-percent increase over the 1983 figure. In 1984, per peasant living expenses reached 335 yuan, a 9.1-percent increase over the 1983 figure. For expenses, the sum of expenditures spent on cultural life and service payment increased about 30 percent over the 1983 figure, but the housing payment decreased 3.6 percent from the 1983 figure. [Text] [Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 1 Apr 85 SK]

FARM MACHINERY--According to statistics of the Liaoning Provincial Farm Machinery Bureau, some 16,700 tractors of all sizes were sold in the province last year, an increase of 5,100 over 1983. Beginning last year, the sales of large and medium-sized tractors and small four-wheel tractors have increased and those of hand-guided tractors have declined. [Excerpt] [Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 3 Apr 85 SK]

CSO: 4007/294



JPRS-CAG-85-014  
2 May 1985

NEI MONGGOL

#### ANIMAL HUSBANDRY ADVANCES IN NEI MONGGOL

OW140252 Beijing XINHUA in English 0223 GMT 14 Feb 85

[Text] Hohhot, 14 Feb (XINHUA)--Inner Mongolia, one of China's five major pastoral centers, reported a record production of 150,000 tons of beef and mutton last year.

The region's output value from animal husbandry reached 1.4 billion yuan in 1984, 10 percent more than the previous record year of 1982. The average per capita income for herdsmen soared to more than 530 yuan in 1984 from 125 yuan in 1978.

The proportion of foundation animals in the herds increased from 38 percent to 43.5 percent over the past seven years. Fine breeds now account for 35.2 percent.

In recent years the autonomous region has introduced the household-based production responsibility system. By the end of 1984, 90 percent of the herds and 26.7 million hectares of grassland, out of 66.7 million, were being tended by families under contract.

The reform, which links income with output, has aroused great enthusiasm among the herdsmen. Last year nearly 300,000 hectares of fenced pastures were built, a 113.5 percent increase over 1983.

CSO: 4020/119

QINGHAI

# TELEPHONE CONFERENCE DISCUSSES WAYS TO COMBAT DROUGHT

HK081554 Xining Qinghai Provincial Service in Mandarin 1100 GMT 7 Apr 85

[Excerpts] Last night, the provincial people's government held a telephone conference to make arrangements for current work of combating drought throughout the province. The conference was presided over by Vice Governor Yin Kesheng.

At the conference, Vice Governor Gabulong delivered a speech entitled "Urgently Go Into Action and Do Well in Combating the Natural Disaster, Sowing Seeds, and Protecting Livestock." In his speech, Vice Governor Gabulong said the drought situation in rural and pastoral areas in our province is now serious. According to the meteorological department forecasts, the first saturating rain this year will most likely be deferred until the middle or the end of May. Confronting the natural disaster, leaders at all levels must enhance their vigor, study countermeasures, and really help peasants and herdsmen solve their practical problems of combating drought, sowing seeds, and protecting livestock.

In his speech, Vice Governor Gabulong said that currently, each place must do well in grasping the sowing of seeds on hillside fields where the soil moisture content is better. The cultivation of wheat must be completed in April. If there is saturating rain in the middle or at the end of May, it will be necessary to take the opportunity of the soil moisture content to sow more potatoes and rape. It is essential to enlarge the area of drilled fields as much as possible, to properly increase the depth of sowing, to select drought-resistant varieties, and to apply more organic manure as base manure so as to improve the quality of sowing and to increase the rate of seedling emergence.

In dealing with antidrought work in pastoral areas, Vice Governor Gabulong said the pastoral areas currently must mainly solve the problems of forage grass and drinking water for livestock, particularly the lambing ewes. The funds and materials allocated to all places last winter for combating natural disasters to protect livestock must be used in current work of combating drought to protect livestock. It is imperative to buy more fodder to make up for the shortage of forage grass.

Vice Governor Gabulong demanded people's governments at all levels to send science and technology workers to the antidrought forefront to study countermeasures and try in every possible way to reduce the losses caused by the drought.

QINGHAI

# SLOW CHANGE IN RURAL LABOR FORCE REPORTED

HK120221 Xining Qinghai Provincial Service in Mandarin 1100 GMT 10 Apr 85

[Text] The rural labor force in our province has begun to shift to work other than agriculture. Over the past few years the proportion of the labor force in the rural areas of our province who have engaged in agriculture in the total labor force has shown a tendency to drop. Last year the labor force engaged in agriculture accounted for 73.45 percent of the total labor force and was 2.25 percent less than in 1981. In the same period, the proportion of the labor force engaged in animal husbandry to the total labor force increased by 5.73 percent. The labor force engaged in the catering trade, commerce, communications, transport, and work in enterprises also increased. The reduction in the labor force engaged in agriculture and the increase in labor engaging in other work is one of the hallmarks of the preliminary readjustment of the rural production structure and is one of the hallmarks of the economic results achieved.

However, we must clearly see that the situation in the concentration of the great majority of the labor force in the rural areas of our province on agriculture has still not changed. This shows that the trend of the transformation of the agricultural economy to specialization and a commodity economy is slow.

Last year agricultural specialized households in our province further developed. Of them, 1,420 households each had an income of over 10,000 yuan, but only 65 households each had an income of approximately 10,000 yuan in the preceding year. These specialized households are bold in increasing investments and buying means of production. The mechanical motive power of peasant households accounts for 82 percent of the total amount of mechanical motive power this year. The agricultural product processing machinery of peasant households accounts for 91 percent of the total number of the agricultural product processing machines. The number of motor vehicles used in agriculture which are owned by peasant households accounts for 70 percent of the total number of motor vehicles used in agriculture.

CSO: 4007/294

QINGHAI

## NEED TO READJUST AGRICULTURAL STRUCTURE STRESSED

HK050839 Xining Qinghai Provincial Service in Mandarin 1100 GMT 3 Apr 85

[Station roundup: "It Is Necessary To Continue to Readjust the Province's Agricultural Structure"]

[Text] In 1984, the province's sown area was 7.6 million mu. Of that figure, 80 percent was food crops, 15 percent cash crops, and 4 percent other crops. Over the years, the structure of these crops has remained stable and there has been little change. This is related to natural economy and monoculture, which have existed in the rural areas for a long time.

Presently, while not slackening our efforts to grow grain, we should use grain from other parts of China to make up for our low rate of grain growing. In addition, we should strive to readjust the agricultural structure, so that the grain crops, cash crops, and forage crops will be developed in a coordinated way.

Among the 2.173 billion jin of overall food output last year, 66.75 percent was wheat, 14.77 percent was roasted barley, and 4.4 percent was broad beans. What we should pay attention to is that the output volume of roasted barley in 1984 was 298 million jin, a reduction of 27.14 percent compared with 1980. The output volume of broad beans in 1984 was 90 million jin, an increase of 73 percent compared with 1980.

In the course of readjusting the agricultural structure, we should observe natural law and economic law. Roasted barley is the staple food of herdsmen, and is a special product. We should appropriately enlarge its scale of production in order to meet market demand and the needs of society. Also, only when we have expanded the market for broad beans can we gain benefit from the trade. On growing rape, we should improve its quality and reduce its erucic acid content, which is very important. So long as we supply, in a centralized way, improved varieties of rape at a low price, grow the crop in an intensive way, and set up procurement centers, we can achieve good results.

CSO: 4007/294.

QINGHAI

#### BRIEFS

**DROUGHT SITUATION ANALYZED**--On 6 April the provincial Meteorological Bureau held a meeting to analyze the drought situation. According to the drought situation analysis, it is predicted that there will be no rainfall in the middle of April, there will be more rainfall at the end of April, and the drought situation in some places in our province will be mitigated by the beginning of May. It is anticipated that there will be saturating rains in the middle of May. According to the current drought situation in our province, the provincial authorities demand that meteorological departments in all places must pay close attention to the development of the drought situation and, in light of the changes in weather, must provide meteorological services to ensure the work of combating drought, sowing seeds, and protecting livestock. They must help peasants and herdsmen eliminate difficulties and worries and must really act as advisers to the productive departments. [Text] [Xining Qinghai Provincial Service in Mandarin 1100 GMT 10 Apr 85 HK]

**EXPERIMENTS WITH WHEAT STRAINS**--Xining, April 11 (XINHUA)--Agronomists in the Northwest Plateau Institute here in the capital of Qinghai Province are planting a number of new high-yield, cold-resistant spring wheat strains this year. "Gaoyuan 338," a new variety developed by the institute, which is under the Chinese Academy of Sciences, is well adapted to the highland and cool-weather areas. Estimated output is about 11.2 tons per hectare. Experts from the institute said another new variety, "Gaoyuan 506" has been planted on 13,300 hectares in the northwest region and per-hectare output reached six tons. A third new strain, "Gaoyuan 614" is good for poor soil areas, according to agronomists at the institute. [Text] [OW111142 Beijing XINHUA in English 1118 GMT 11 Apr 85]

CSO: 4020/183

SHANDONG

BRIEFS

AFFORESTATION INCREASED IN 1984--In 1984, Shandong Province afforested 2.03 million mu of land, an increase of 32.8 percent over 1983. [Summary] [Jinan DAZHONG RIBAO in Chinese 9 Mar 85 p 1 SK]

SPRING AFFORESTATION--Shandong Province has scored great achievements in spring afforestation. As of 20 March, the province as a whole had afforested more than 313,000 mu. Linyi Prefecture planted 140,000 mu of trees on barren hills and beaches, and planted more than 90,000 mu of economic forests, and 3.68 million trees along houses and along rivers, roads and ditches. [Summary] [Jinan Shandong Provincial Service in Mandarin 2300 GMT 29 Mar 85 SK]

CSO: 4007/294

SHANXI

## UNIFIED GRAIN PROCUREMENT SYSTEM ABOLISHED

### Procurement System Abolished

Taiyuan SHANXI RIBAO in Chinese 8 Feb 85 p 1

[Article: "Shanxi Abolishes the Unified Grain Purchasing System--Fixed Contractual Purchases and Market Purchases Will Go into Effect on 1 April--This Promotes Rationalization of the Rural Industrial Structure"]

[Text] Reporter Xu Qing [6079 7231] reports that he has learned from the provincial conference of prefectural and city grain bureau directors now convened in the capital by the Shanxi Provincial Grain Bureau that the state no longer will issue unified and assigned purchase tasks for grain and oils as a means for promoting rationalization of the rural industrial structure and for meeting the new situation of the development of commodity production in rural areas, and that it will implement fixed contract purchases and market purchases for these two groups of products.

The period of fixed contract purchases will be based on a single grain year. The grain varieties for which fixed purchases will be implemented are: wheat, corn and rice. The edible oils under fixed purchase will be cottonseed, rapeseed, flaxseed, peanuts, sesame and yellow mustard (all include oil). Fixed purchase quotas are set downward in steps by the province for prefectures (cities), by the prefectures for counties (cities) and by the counties for townships (towns). Fixed purchase contracts are signed by grain departments through discussions with the peasants prior to the planting season. Many forms of grain and oil fixed purchase contracts may be used. Purchases may be fixed for households, villages, groups of households or even a larger area. The contracts must specify clearly the amount of the fixed purchase, product varieties, quality, prices, selling location and time and so on. County and township people's governments will supervise the implementation of contracts.

As for the grade and quality standards for fixed purchases of grain and oils, any grain and oils that meet grading and quality standards set by the state should receive higher prices for higher quality, with a policy of setting prices according to quality. There are no contractual fixed purchases of grain and oils that do not meet grades.

In order to protect the interests of the peasants and consumers and foster the role of grain departments as a primary channel for handling negotiated prices, apart from grain and oils under state fixed purchase contracts, the departments should remain active in handling negotiated prices for grain and oils and participate in market regulation to guide the peasants in being concerned with market changes and arranging production according to market demand.

#### Reforms in Grain Purchasing

Taiyuan SHANXI RIBAO in Chinese 8 Feb 85 p 1

[Commentary: "A Major Reform in Grain Work"]

[Text] Shanxi Province has decided to eliminate unified purchasing of grain on 1 April 1985 and to implement contractual purchases and market purchases. This is a major reform in grain work.

This reform inevitably will have an enormous effect on gradually opening up agriculture and sideline products and achieving market regulation. For this reason, grain departments at all levels should do good political and ideological work for cadres and employees under leadership by local party and government organs. They should quickly organize forces, be thorough and do propaganda on the policies of the CPC Central Committee for enlivening the rural economy. They should have a high sense of responsibility, be firm and do good work in signing fixed purchase contracts and negotiated purchase contracts with each village and household. All levels of party and government leadership should conscientiously strengthen their leadership over work in this area, supervise the fulfillment of contracts and deal quickly with any problems that appear.

12539

CSO: 4007/246



SICHUAN

## MAJOR EFFORTS AGAINST DROUGHT DURING WINTER WHEAT HARVEST

### Winter Wheat Planting

Chengdu SICHUAN RIBAO in Chinese 20 Nov 84 p 1

[Article: "Deyang Successfully Completes Autumn-Sown Winter Wheat Planting"]

[Text] All counties of Deyang Municipality have taken measures to carry out different kinds of service. They fought against drought to rush-plant the winter wheat and completed the autumn-sown crop plan with a guarantee of both quality and quantity. Thus, a good foundation has been laid for the increase in the grain and edible oils production of next year.

Rain was scarce in the five counties of Deyang Municipality after the autumn harvest and gradually the drought was getting serious. However, some of the cadres at the basic level did not pay enough attention to the drought; they thought that winter wheat production had already been contracted to households, the peasants could work themselves and there would be no need for the leaders to worry. Aiming at these problems, the municipal government immediately issued an urgent notice to mobilize all the rural cadres and peasant masses to fight against the drought and rush-plant the winter wheat whereas the departments concerned were also informed to provide service on the aspects of techniques, funds and materials in order to help the peasants to settle their specific difficulties in fighting the drought and in rush-planting. All counties, regions and townships also spent their major energies in leading the peasants to rush for time but to work with quality in this anti-drought job and rush-planting in order to do the best in gaining a bumper harvest of winter wheat next year. In Mianzhu County, the leading group in rape production was established, and the most famous rape specialist in the province was engaged as a technical adviser to lecture and set examples on the spot. All these efforts were for the purpose of obtaining high yields of rape. Each county issued and distributed more than 200,000 copies of data for cultivation techniques to the planting specialized households for high grain and oil yields and to the peasant masses. In regions, townships, squares and towns, technical advisory services were established to introduce to the peasants the characteristics and the technical knowledge of cultivating different kinds of good varieties as well as the methods of using different agricultural chemicals and chemical fertilizers. Guanghan

County, Shifang County and other counties gave technical lessons to the peasants who work for township industries and organize them to go home and work in anti-drought tasks and in rush-planting.

For the purpose of completing the plan of sowing winter wheat in due course, all the counties and townships made a list of the households which were in need of labor, funds or techniques. They organized manipulators to plough and they mobilized the people's militia, the organization of the Communist Youth League and the Women's Representative Association to contract planting for certain households; the agricultural bank and credit cooperatives went to the households to offer loans, and specialized households of planting went to guide on the spot. All these efforts caused the households of three deficiencies, which were about 10 percent of the total number of agricultural households of the whole province, to complete with quality their assignments of winter wheat planting in due course. At present, the drought continues to develop, and the vast rural area of the whole municipality has carried out the activities of the anti-drought task, working hard on field management and saving the seedlings from damage.

#### Commentary

Chengdu SICHUAN RIBAO in Chinese 20 Nov 84 p 1

[Text] Since the beginning of September, there has been a serious autumn drought in most parts of the basin of our province. The water retention capacity for engineering is less than it was last year, the water in the water stored field is universally shallow, the winter water fields are yellow and muddy and the area of lodging and drought is so large that in some places drinking water for men and animals is difficult to obtain. Furthermore, the drought has caused the slow progress of the autumn-sown crop, and the shortage of seedlings and separations from pits are serious. All these facts have heavily influenced agricultural production and the livelihood of the masses.

In order to work well on winter wheat production, to preserve sufficient water for next year's spring irrigation and to settle the drinking water problem for men and animals in some places, the departments of the party and government of all levels in the drought area should not only educate the rural cadres, stress anti-drought work, strengthen specific leadership, make the most of the masses' wisdom and strength to achieve the objectives of anti-drought work and the planting and saving of seedlings from damage but should also organize all lines of business and trades to help the anti-drought work with major efforts and settle all kinds of difficulties in the anti-drought work; we must plan and work with the mass to overcome the autumn drought in order to achieve a bumper winter wheat harvest and create conditions for the continuous increase of agricultural production next year.

12705

CSO: 4007/115

## INSTRUCTIONS ON WINTER WHEAT PLANTING AGAINST DROUGHT

Chengdu SICHUAN RIBAO in Chinese 22 Nov 84 p 1

[Article: "Emergency Notice on Anti-drought Work"]

[Text] Yesterday the provincial people's government issued an emergency notice on anti-drought work for planting winter wheat and protecting seedlings. This notice asked the leaders of all levels to pay the closest attention to the present drought, to work with all ways and means and to plan and work with the masses in order to overcome the drought and plant the winter wheat with both quality and quantity. Now, it is required to do the following three tasks:

1. Aiming at the different droughts, it is necessary to take strong measures in rush-planting and keeping a full stand of seedlings against drought. Those who have not yet finished their sowing and planting assignments should make the best of their time to fight against the drought and rush the sowing and planting, and furthermore they must not depend on luck to wait for rain and not miss the right season. Those who actually have difficulties in direct seedlings must concentrate the cultivation of seedlings in the low and damp places to find out the differences between seedlings; as for the wheat and rape with many broken drills and that are separated from pits, seedlings must be evened out and the vacancy must be filled in time whereas to urge the seedlings and supplement the planting are also important. In places where the drought is serious, irrigation, fertilization, anti-drought work and seedling protection should be shifted to an earlier time. Right now, if aphids and cabbage caterpillars are generally discovered in the rape, chemicals should be applied in time to prevent these pests. Care should be given as soon as the seedlings are planted in order to guarantee a full stand.

2. Good work must be done on water preserves and in water storage. Due to the serious autumn drought, the water retained for project has now decreased compared with the same period of last year, the water preserved in the winter field is in general shallow and large areas of yellow and muddy fields, lodging and drought have appeared. The system of water management responsibility must be realized and the work of water storage and water reserves must be strengthened. The winter water field, which already has lodging and drought, must be dug and the soil turned over to build kang beds for winter.

Winter wheat can be planted in fields if such fields are plantable, but it is not suitable to let out large quantities of water to permeate the fields.

3. Leadership must be enhanced. Leaders of all levels should work well in present agricultural production, especially in places where the drought is serious, and good work must be done in rush-planting and in keeping a full stand of seedlings against drought. Leaders should go to the base and among the masses to investigate and study in order to discover and settle in time the various problems of the present rush-planting and keeping a full stand of seedlings against drought. The departments concerned must be organized to work on agricultural funds, materials, transportation, technical service, etc. and apply major efforts to support agricultural production.

12705

CSO: 4007/115

SICHUAN

## INCREASE IN HOG PRODUCTION, PORK OUTPUT NOTED

Beijing JINGJI RIBAO in Chinese 26 Sep 84 p 1

[Article: "Livehogs On Hand, Slaughtered and Pork Output All Increase in Sichuan; Leadership Attaches Great Importance To It, Supports Specialty Production, Relies on Science and Technology"]

[Text] There were new developments in hog raising in Sichuan Province in the first half of this year. For the province as a whole, there were 56.71 million head of hogs on hand, 13.72 million were slaughtered and pork output was 1.62 billion jin. These were increases over the corresponding period last year of 6.7 percent, 4.4 percent and 9.4 percent, respectively.

The major experiences of the large expansion of hog raising in Sichuan are:

1. The leadership at all levels attached great importance to it and devoted major efforts to developing hog raising as a major undertaking to wipe out poverty and bring wealth, increase peasant income, guarantee market supplies and improve the people's livelihood. They continually discovered new things, summed up new experiences, formulated new policies and solved new problems. When "hog-selling difficulties" appeared, the leading departments at all levels persisted in encouraging hog raising, adopted a series of forceful measures to set up additional procurement and sales outlets, temporarily reduce the sales price of pork and reduce or remit the tax on slaughtering animals; this basically resolved the hog-selling difficulties. The cheap prices for piglets and reduction in the number of sows caused by the hog-selling difficulties were also resolved fairly quickly.
2. They enthusiastically aided the hog-raising specialized households in expanding commodity production. They supplied cross-bred piglets to the households, provided compound feeds and gave priority to facilitating prevention and cure of epidemic diseases, purchasing fat hogs, granting loans and extending credit. There are presently 330,000 hog-raising specialized households throughout the province, 2.07 million fat slaughter hogs and an average of 6 hogs per household, which is more than 2-fold higher than the provincewide average.
3. They relied on science and technology and raised the production standards for raising hogs. They simultaneously concentrated on fine breeds and fine methods, stressed both compound feeds and silage, and paid special attention to hog-raising techniques, fixed quota services and contracting with households and combined households placing orders. At the same time, they introduced fine breeds of hogs from abroad, employed artificial insemination, and developed and exploited the strengths of crossbreed hogs. At present, one-third of the hogs throughout the province are lean-meat-type cross-bred hogs.

SICHUAN

BRIEFS

'PLANT CHICKEN' FUNGUS DEVELOPED--Chengdu, March 31 (XINHUA)--A bio-products factory director in Sichuan Province has succeeded in cultivating a delicious edible fungus which is called "plant chicken" by the local people. Hou Guangjiong, a famous pedologist in China, said that it is a breakthrough in cultivating the fungus known as dictyophora indusiata which has great economic value. Dictyophora indusiata is a spongy, mushroom-like fungus growing on roots or decomposed leaves of bamboo. It has a higher amino acid content than chicken. It is believed to be good for people suffering from hypertension or high cholesterol. As the fungus grows only on wild bamboo, output is very low. Chen Peizhong, director of the Bio-Products Factory in Ningxian County, Sichuan Province, has studied biological conditions, vegetation, illumination, soil, moisture content, pH value, temperature, bacteria co-existing with hypha of the fungus since 1982. The local authorities have decided to help the director spread the cultivation technique. [Text] [OW311006 Beijing XINHUA in English 0953 GMT 31 Mar 85]

CSO: 4020/183

XINJIANG

COMMENTARY ON TURNING LAND BACK TO FORESTRY, GRASSLAND

HK050235 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 3 Apr 85

[Station short commentary: "There Are Many Advantages in Turning Arable Land Back Into Forestry and Grassland"]

[Text] In readjusting the rural production structure, Korla city has resolutely turned some wasteland and low-yield farmland into forests and grassland. This is very good. In the past, due to the influence of treating grain as the key link in agriculture, some places blindly destroyed forests and reclaimed arable land, thus damaging vast areas of grassland.. This has not only ruined the ecological balance, but has also seriously hampered the development of forestry and animal husbandry.

An unprecedentedly excellent situation has now appeared in the province's agricultural front. This is the best time to turn low-yield farmland which is unsuitable for growing grain into forests and grassland. All localities must properly turn some farmland into forests and grassland in a planned way and step by step. It is particularly necessary to turn hillside land with a slope of more than 25 degrees into forests and grassland as soon as possible.

There are many advantages in turning arable land into forests and grassland. Planting trees and growing grass in desolate hills, wasteland, and low-yield land can prevent the attacks by winds and storms, improve the ecological balance, promote the development of agriculture and animal husbandry, and increase the income of the peasants and herdsman. This is a promising way through which the peasants and herdsman can get rich through labor.

CSO: 4007/294

YUNNAN

JPRS-CAG-85-014  
2 May 1985

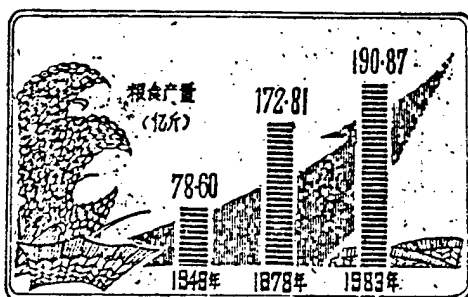
# YUNNAN RELEASES DOMESTIC OUTPUT FIGURES

Kunming YUNNAN RIBAO in Chinese 22 Aug 84 p 3

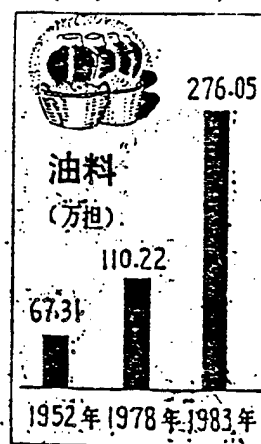
[Charts: "Agricultural Output in 35 Years Compared"]

[Text]

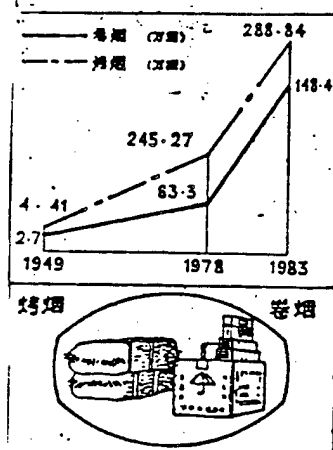
Grain (100 million jin)



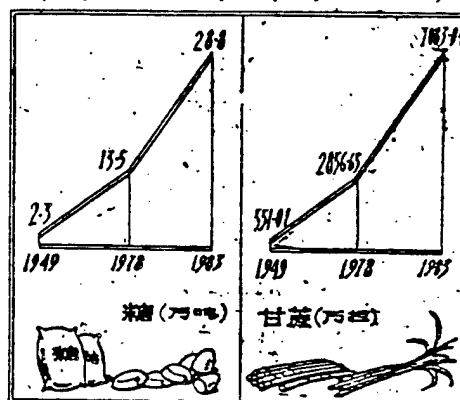
Edible Oils  
(10,000 dan)



—— Rolled tobacco (10,000 dan)  
--- Cured tobacco (10,000 dan)



Sugar (10,000 tons)      Sugarcane (10,000 dan)



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CSO: 4007/3



YUNNAN

## PROVINCE BECOMES NATION'S LARGEST TEA EXPORTER

Kunming YUNNAN RIBAO in Chinese 25 Nov 84 p 1

[Article: "Province Becomes Country's Important Tea Export Base"]

[Text] Yunnan tea, famous both at home and abroad, has achieved fast and vigorous development in the 35 years since the liberation. In 1983, total tea output in the whole province was 514,265 dan and the tea procured was 438,979 dan, an 8.3-fold and 21-fold increase respectively, compared with 1950. Tea exports were more than 188,000 dan, more than 16-fold greater than 1952, making the province the country's most important tea export base.

Our province is one of the native places of tea, there is a long history of tea production. Early in the Tang Dynasty, Puer tea was already world famous. However, in old China, tea production was damaged time and again. The tea plantation area was only 30,000 mu, tea output was 55,000 dan, tea procured was over 20,000 dan and the output of the famous Puer tea was less than 3,000 dan. After liberation, tea production speedily recovered and developed, tea planting counties and municipalities have increased from tens in the past to 120 at present, with the area having expanded to almost 1.6 million mu. There are now more than 20 counties where annual tea output is from 3,000 dan to 50,000 dan.

Before the liberation of China, the preliminary step of manufacturing tea depended entirely on roasting in pots and rubbing by hand; there were three tea-refining factories in the whole province, but the processing depended mostly on hand work. Now, there are already 2,112 preliminary tea manufacturing places with semimechanization in the whole province, 42 tea-refining factories have been built to produce dark tea, green tea, jasmin tea, Puer tea and pressed tea, these are the 5 main categories of the more than 100 varieties of tea. Tian dark tea accounts for 40 percent of the dark tea processed with skill for export in all China. The output of Puer tea has increased vigorously to more than 30,000 dan.

12705

CSO: 4007/113

JPRS-CAG-85-014  
2 May 1985

## RELAXED POLICY RESULTS IN GREAT SUCCESS IN AFFORESTATION

Beijing ZHONGGUO NONGMIN BAO in Chinese 13 Nov 84 p 1

[Article: "Afforestation Exceeds Planned Target"]

[Text] Up to the end of September this year, Yunnan Province has completed more than 10.23 mu of afforestation and raised over 35,000 mu of seedlings. Both results have achieved the highest record in history and both the afforestation quality and the forest survival rate are higher than those of last year.

Ninety-four percent of Yunnan is mountainous. In recent years, as the Yunnan provincial party committee has relaxed its policies, with the exception of state-owned forests, more than 210 million mu of the "3 mountains and 1 plain," (Ziliu Mountain, Ziren Mountain, Cao Mountain, and Lunxie Plain), are assigned to more than 400 peasant households for long-term operation. This year, the party committee again extends the initiative rights of collective operation of forestry, and over 10,000 forestry specialized households and over 6,000 integrated bodies to contract for the development of barren hills have appeared in the whole province. Starting at the beginning of this year, and in order to arouse the enthusiasm for afforestation on the part of the numerous households, the authorities have sent a large number of work teams into the villages and stockades to publicize the party's forestry policy. The leading cadres of all levels have planted trees and have afforested with their own hands to bring along the function of playing a leading role and setting an example. A forestry productive fund of almost 60 million yuan is collected to assist the impoverished districts of the border area to develop forestry; the department of forestry is shifting and transporting seed plants actively, and scientific methods are used for raising seedlings. All localities and counties have conducted training classes to carry out the technical training for forestry specialized households and integrated bodies.

12705  
CSO: 4007/115

YUNNAN

## REGULATIONS GOVERNING DEVELOPMENT OF COLLECTIVE ECONOMIES PROCLAIMED

Kunming YUNNAN JINGJI RIBAO in Chinese 15 Oct 84 p 1

[Article: "Yunnan Provincial People's Government Issues Regulations Dealing with Some Questions of Policy for the Development of Urban and Rural Collective Enterprises"]

[Text] Collective economies constitute an important part of the socialist economy of public ownership in our country. Vigorously developing urban and rural collective enterprises is a measure of strategic importance for quadrupling Yunnan Province's annual gross industrial and agricultural output value and for leading its urban and rural residents to become rich as quickly as possible. Since the Third Plenum of the 11th CPC Central Committee, the CPC Central Committee, the State Council, the Yunnan Provincial CPC Committee, and the Yunnan Provincial People's Government have adopted a series of decisions concerning the development of urban and rural collective economies, which have set them on the road toward revival and expansion. However, owing to the existence of the "leftist" influence and because of the inadequate emancipation of the mind and inadequate implementation of the policy plus a lack of conscientious efforts to eliminate and correct those regulations and actions intended to discriminate against, restrict, discredit and swallow up the collective economies, the development of urban and rural collective enterprises remains relatively slow, with their output value amounting to a small percentage of the total. This is why they remain a "weak link" in the national economy of Yunnan Province to date. To change this, the governments and responsible economic departments at various levels must further emancipate their minds, carry forward the spirit essential for the elimination of the "leftist" influence, for reform, for the generation of power and for the revitalization of the economy with faster results, and vigorously support and promote the development of urban and rural collective enterprises. The following regulations based on the spirit of documents No 1 and No 4 of the CPC Central Committee and the State Council 1984 and the reality of Yunnan Province involve questions of specific policies.

### I. Question Concerning the Power of Self-Determination

Urban and rural collective enterprises must uphold the principles calling for voluntary integration, running businesses independently, independent accounting, and holding business responsible for their own profits and losses along

with the principles of "to each according to his work" and democratic control, which will entitle them to the exercise of the power of self-determination over production, management and control of labor within the framework of state laws and policies. This means that, guided by the state plan, they will be given leeway in arranging their productive and business activities; in controlling and using their means of production and self-provided funds the way they see fit; in purchasing raw materials and marketing their products; in purchasing, renting, and transferring fixed assets with royalties for patents; in importing technologies and transferring assets for joint venture; in selecting the form of distribution for enterprises; in coming up with decisions on the way their internal agencies and personnel are organized, and workers (including cadres) are hired, dismissed, commended, punished, fired and retired.

## II. Question Concerning the Enforcement of the Responsibility System of Managing Businesses on a Contract Basis

Collective enterprises must come up with various contractual business management responsibility systems. On the premise of keeping the present system of ownership of means of production which will result in benefiting production and increasing income, the system of letting collectives sign contracts and factory directors assume responsibility can be enforced along with the systems of letting factory directors (or managers) sign contracts or letting an individual or many individuals sign contracts for a joint venture.

## III. Question Concerning the Management of Businesses in a Democratic Way and Appointment and Dismissal of Cadres

An enterprise should seek ways to settle major issues involving production, management and its internal affairs through democratic debate sponsored by its trade union congress. An enterprise with funds raised through the circulation of stocks should settle such issues through discussions among representatives of shareholders who form the board of directors. A township enterprise should do so through discussions held by the enterprise control committee and attended by representatives of members from former communes and brigades.

An enterprise cadre should uphold the principle calling on cadres to take the highest or lowest positions while factory directors (or managers) should be regarded as positions resulting from the enforcement of the systems of election and appointment. In the future, the appointment of state executive cadres to collective enterprises should become a thing of the past; factory directors (or managers) should be authorized to appoint or dismiss deputy factory directors (or deputy managers) and other lower ranking cadres as they see fit; if found guilty of dereliction of duty during their tenure, factory directors (or managers) can be dismissed or fired by either the trade union congress or the board of directors or the enterprise control committee.

The form of management of various new integrated collective economic bodies and the appointment of their cadres can be decided by all parties concerned.

#### IV. Question of Labor and Wage Control

Collective enterprises should uphold the principle of "to each according to his work." Their compensation for labor (including wages and bonuses for workers) should be based on their business incomes and profits. After paying taxes according to the law and retaining a portion of profits for their own use, enterprises can distribute the remainder of the profits in any way they see fit. Whatever form of distribution they adopt should end up benefiting the development of production instead of emptying their treasuries. In recruiting workers, collective enterprises should persist in the principle of evaluation which will lead them to select and employ the best from among the applicants. Their employment system can take the form of contractor-workers, and temporary and permanent workers, a system under which workers can be employed or dismissed. Questions of when workers should be recruited and how many should be employed are decisions that should be made by enterprises themselves. Urban collective enterprises in small townships should be allowed to recruit peasants who can bring their own food and (who can resettle in townships but cannot change their status to nonagricultural residents who have to eat grain provided by the state). Peasants should be allowed to bring food rations of their own when coming to townships to open their businesses. Peasants recruited by township collective enterprises in the widely scattered frontier and mountainous areas of entering towns to open their businesses can have their grain rations delivered to their local food departments in exchange for certificates which will enable them to purchase the same quantity of food from food departments adjacent to their enterprises or businesses. Township enterprises should be allowed to recruit workers in cities while urban residents should be allowed into rural villages to open businesses or sign contracts for running them while still maintaining their residences in cities.

#### V. Question Concerning Ways To Advance Technology

To meet their needs, enterprises may feel free to recruit professional technicians and administrators (including retired workers). They can also invite consultants and advisors in many professional areas to work for them with salaries to be decided by both sides through negotiations.

Technicians assigned to collective enterprises by the state are not allowed to change their stature of public service under the system of public ownership. Their promotion will be processed according to state regulations. Their basic wages generally rated higher than their counterparts under the system of public ownership can go up as their enterprises earn more and their contributions to them become greater.

As long as their regular work is not affected, technicians now on the staff of state enterprises should be allowed to devote their spare time to giving technical guidance to collective enterprises so as to enable them to earn extra money for themselves. Their employers and moonlighting units can also sign contracts for the purpose of carrying out various projects.

## VI. Questions Concerning Fund-Raising

Urban and rural collective enterprises should raise funds they need through various channels. They must do so mainly in a spirit of self-reliance. They can also expect assistance from the state if necessary.

Collective enterprises may let their own workers raise funds to form a partnership which can also absorb idle capital from society. They can draw annual dividends not lower than bank interest from their shares in this partnership. When they quit their enterprises, they can either have their shares refunded or continue to keep them in the partnership. Rural specialized households, major households, and urban residents should be encouraged to make individual or joint investments in factories or commercial stores with whatever assistance is available.

Authorities at provincial, prefectural, county and various other levels should raise funds in support of urban and rural collective enterprises. All other localities should check their financial resources and earmark special funds out of their contingency and other available funds to be used by the enterprises as part of their revolving funds which are compensatory but bear no interest. To support the development of collective enterprises, they can also apply for low-interest loans from banks, and exploit their financial power to get bank loans with interests to be subsidized by their treasuries.

In recruiting unemployed youths, enterprises can also expect interest-free loans provided by the labor departments in the form of placement funds or revolving funds with amounts depending on the number of youths to be placed at that time. Loans of this kind can be turned into grants with the approval of the labor and personnel departments, if the enterprises find it difficult to repay them.

## VII. Question Concerning the Adjustment of Tax Burden

The Yunnan Provincial Government's 1984 Document No 30 provides for a continued cut of industrial and commercial income taxes in half as a measure to stimulate the growth of business profits. As for the profit base, all old enterprises can figure it out by referring to their original one. As for those enterprises with their profit base yet to be fixed, their responsible authorities should propose one and submit it to the treasury departments of the same level for approval.

New urban and rural collective enterprises, except for those engaged in the production of tobacco, wine, sugar, wrist watches, firecrackers, and incinerators for 2 years and industrial and commercial income taxes for 3 years, beginning from the month in which they are put into operation.

Industrial and commercial income tax exemption is also applicable to township enterprises in the area affected by the implementation of the "(Draft) Yunnan Frontier Fraternal Nationality Area Industrial and Commercial Income Tax Code." Township enterprises there are entitled to exemption from such taxes for 5 years beginning 1984. Township enterprises in frigid plateaus of poverty

at the heart of Yunnan are looking forward to cutting and exempting their industrial and commercial income taxes over a period of 5 years as soon as proposals to this effect drafted by their responsible departments in their counties (or municipalities) are verified by their county (or municipal) bureaus of taxation and approved by their county (or municipal) people's governments.

Original urban collective enterprises are eligible for industrial and commercial income tax exemption for 3 years if the unemployed youths they have hired this year exceed 60 percent of their staff, 2 years if these youths exceed 40 percent of their staff, and 1 year if they exceed 20 percent of their staff. A cut of industrial and commercial income taxes in half every year for 3 years beginning 1984 is applicable to such urban collectives as food and drink businesses, bathhouses, barber shops, cleaning and dyeing services, and repairing trades.

Urban collective enterprises can now recover their non-operating losses from their next year's profits. If the profits exceed such losses, the remainder will be subjected to industrial and commercial income taxes according to the law. If the losses exceed the next year's profits, they can be made up year after year in the next 3 years.

Urban collective enterprises can now repay a variety of loans for special production projects according to the provisions of the Yunnan Provincial Government's 1984 Document No 58. If some enterprises still face difficulties in repaying the loans according to this regulation, they can be granted a proper extension of the period in which their tax payments are prorated following verification by the county (or municipal) bureaus of taxation and approval by the county (or municipal) people's governments.

Enterprises with retail sales stores in the front and factories in the back can be given retail sales tax exemption while having to pay only taxes on products marketed by themselves, if this consideration is deemed necessary. Township enterprises can treat profits they have delivered to production teams, and cash they have turned over to the township governments in the form of investment in and support for their agricultural production and expenditures on education, health and welfare as deductions before taxes. A detailed measure along this line can be put into effect as soon as the proposal drafted by the provincial bureau in charge of commune- and brigade-operated enterprises to control their costs of production is approved by the provincial department of finance and taxation.

Industrial and commercial income tax cuts or exemptions can still be scheduled for those urban collective enterprises which face difficulties in paying such taxes according to the present regulations and whose request for such a tax cut and exemption has been verified by their county (or municipal) bureaus of taxation and approved by their county (or municipal) people's governments. The detail on the authorization of industrial and commercial tax cuts and exemptions is provided for in the Yunnan Provincial People's Government's 1981 Document No 98. All benefits from tax cuts or exemptions granted to urban and rural collective enterprises pursuant to the aforementioned regulations should be used mainly to develop production and collective welfare

services and should in no way be distributed as bonuses or used for any other purposes.

#### VIII. Question of Production Plan and Material Supply

Urban and rural collective enterprises should project their production and marketing not controlled by the state plan according to the law of supply and demand. Raw materials and energy for products projected by the state will be officially ordered by the planning department and forces will be organized by the supply department to purchase them from the nearest places possible. These are raw materials and energy that cannot be used for any other purposes. Raw materials and energy for products not projected by the state but distributed under overall planning and controlled by the state can be purchased with subsidies from the provincial authorities and according to quotas set and sent by the provincial planning committee in a special request to the responsible departments. If the raw materials purchased fall short of the demand, the insufficient portion may be made available through coordination with the marketing forces. Collective enterprises should be given first priority in receiving those waste and leftover materials retrieved by the supply and marketing departments.

After fulfilling their state quotas, urban and rural collective enterprises should be allowed to sell products they have produced under overall planning and state control to the consumers in Yunnan and other provinces. A specific percentage of finished products processed by the state enterprises with mineral ores and other raw materials sold by the collective enterprises may be returned to the latter according to the terms of a contract signed by both sides. These are products that can be made available through coordination and trade-in, and sold by the producers themselves or by proxy.

#### IX. Question of Pricing

All products produced by the collective enterprises under the state plan to supply them with raw materials should be sold at prices set by the state. According to the state pricing policy, fluctuation may be allowed in the prices of products made from fuels and other essential raw materials purchased by means of coordination with the marketing forces. Prices of products not projected by the state are negotiable between suppliers and purchasers.

#### X. Question of How To Establish Social Insurance Foundation

Steps must be taken by the urban collective enterprises to establish the social insurance foundation. Beginning this year, experiments must be conducted in localities selected by the provincial collective economic office in coordination with departments concerned. Through experiments, some 15 percent of the wage bill may be earmarked and deposited in a special bank account by responsible departments at county and higher levels as part of an overall effort to solve problems resulting from retiring workers of urban collective enterprises. In localities not affected by the experiments, the existing regulations in this connection should be observed accordingly. A social insurance foundation can also be established by township enterprises in ways appropriate to their local conditions.



# XI. Question of How To Prevent the Consequence of Swallowing Up, Upgrading and Extorting Collective Enterprises under the Pretext of Equitable Apportionment of Expenses

After being licensed according to the law, a collective enterprise will enjoy the status of a legal person protected by the law of the land under which no department or individual is authorized to take over by force, embezzle, swallow up or secretly divide up its funds, profits, factory buildings, equipment, raw materials, products, commodities, and any other assets as well as labor forces in anyway or under the pretext of so-called equitable transfer of resources and equitable apportionment of expenses. Nor is anyone allowed to change the nature of their ownership and affiliation. All their assets encroached upon and swallowed up under the pretext of equitable transfer of resources in the wake of the proclamation of the CPC Central Committee and State Council 1981 Document No 42 should be resolutely returned to their original owners along with assets taken away without compensation in the course of structural reform and adjustment of the administrative system. In the future, except for departments of taxation and industrial and commercial administrations which are authorized to collect taxes and other charges from collective enterprises, no other units or departments can do so under the pretext of equitable apportionment of expenses. (Permits and support should be extended to collective enterprises for their voluntary efforts to raise funds for public interest purposes). Enterprises should have the right to resist any unauthorized charges and other wrongdoing in the name of equitable transfer of resources and equitable apportionment of expenses. They can demand reimbursements or bring their accusations to the attention of justice.

To reduce the financial burden of new urban and rural collective enterprises in 35 counties located in the frontier nationality region, beginning this year, they will no longer have to pay for their registration fees. Such fees have been cut in half for township enterprises employing no more than 50 workers in other counties and municipalities, while those employing more than 50 workers will still have to pay such fees according to the relevant regulations.

# XII. Question Concerning the Strengthening of Leadership

An urban and rural collective economic steering committee composed of responsible comrades of provincial-level departments concerned and chaired by a leading comrade of the Yunnan Provincial People's Government should be formed as an overall planning, coordination and advisory organization for the development of urban and rural collective enterprises. Whether similar committees at prefectural, municipal and county levels need to be established is a matter that should be decided by various localities themselves.

Township enterprise bureaus and second bureaus of light industry (or handicraft industry) should be kept intact for the time being in areas where their existence is still necessary. To bring enterprises under surveillance, vigorous efforts must be made to establish urban and rural collective enterprise control bureaus in other localities where either of the two aforementioned bureaus or both has or have been disintegrated. Cadres who were on the staff of state executive branches assigned to the second light industry (or handicraft industry)

administrations on the eve of structural reform should be allowed to continue to serve executive branches at all levels with their salaries to be paid by local treasuries at all levels. Cadres who were on the staff of enterprises on the eve of structural reform should remain there with their salaries to be budgeted in the same way as before.

Township enterprise control committees should be formed in various townships. Below the committees, there should be offices or personnel whose task is to strengthen the control of enterprises. Vigorous efforts must be made to establish and revive the functions of supply and marketing companies and handicraft cooperatives in order to promote the development of urban and rural collective enterprises.

Various localities should concentrate on drafting plans for the development of urban and rural collective enterprises, strengthen their leadership and speed up their development. Responsible economic departments at various levels should bring under surveillance not only publicly owned enterprises but also collective enterprises. They should treat state and collective enterprises as equals, and encourage them to compete with each other. In drawing up projects to develop various trades and advanced technology, they must consider the situation as a whole and make an overall arrangement so that services that can be performed by collective enterprises will not be duplicated by state enterprises. They should be well prepared to serve the needs of collective enterprises at a time when production is organized and carried through. Large and medium-sized state enterprises should let urban and rural collective enterprises expand their production to include products and spare parts from the state enterprises if they are so equipped. All trades and professions must make efforts to rectify and wipe out those faulty regulations aimed at discriminating against, restricting, discrediting and swallowing up the collective economies, and should feel free to support and develop urban and rural collective enterprises.

The above regulations go into effect on the day of their proclamation. They will replace earlier documents whose contents contradict theirs.

9574

CSO: 4007/195

2 May 1985

YUNNAN

## BRIEFS

INCREASED FERTILIZER SUPPLY--Yunnan will supply more chemical fertilizer and quality fertilizer this year for spring plowing. In the first 2 months of this year the province has shipped to other provinces 93,300 tons of quality chemical fertilizer, including carbamide and compound fertilizer, an increase of 23 percent compared with the same period last year. By the end of February, the amount of chemical fertilizer stored by the commercial department increased by 17 percent compared with the same period last year. [Summary] [Kunming Yunnan Provincial Service in Mandarin 1100 GMT 28 Mar 85 HK]

CSO: 4007/294

ZHEJIANG

# ZHEJIANG WORKSTYLE CHANGES BOOST PRODUCTION

OW091658 Beijing XINHUA in English 1513 GMT 9 Apr 85

[Article by Tang Qingzhong: "Rural Cadres Change Style of Work to Boost Commodity Production"]

[Text] Hangzhou, April 9--The current drive to develop a market-oriented rural economy is changing the style of work of party and government officials in Zhejiang Province, East China.

"Services, yes; commandism, no"--this slogan is becoming the guideline for rural cadres there.

As peasants in Yiwu County put it, officials are paying growing attention to market situation to provide peasants with useful information.

Yiwu is a famous producer of dates and citrus. But for a long time in the past, it was the government that fixed the acreage planted to the fruit trees, and peasants had to sell practically all products to the government at fixed prices.

Mandatory purchase quotas on the fruits--as on grain, cotton and other major farm produce--have been abolished. Peasants now can sell them on the open market for higher prices.

When the county government found candied dates a good seller, it helped peasants start processing factories for added value.

One kilo of candied dates is worth 2.3 yuan, but the cost of the materials is only 1.33 yuan.

Government and collective information agencies servicing rural areas are operating all over the province. An information development company in Xiaoshan County, near the provincial capital of Hangzhou, has a computerized data bank storing 300,000 pieces of information.

The county government decided earlier this year to grow ramie, on learning that the plant's fibers were in short supply. As a result, local peasants planted ramie on 20 hectares for the first time in spring.

Another example was furnished by Jinhua Prefecture with 13 counties under its jurisdiction. More than 2,000 local officials were sent down to the countryside last year on investigation tours.

The result: a pamphlet for distribution among peasants about how 32 most outstanding townships and villages had produced according to market demand.

"We don't force peasants to do this or that as in the past," said Prefectural Commissioner Guo Maoyang. "Instead, we just show them the most successful examples and let them decide whether to follow suit."

As a matter of fact, Guo said, all party members, those in leading positions in particular, are expected to get better acquainted with the use of economic levers to direct rural production through this year's party consolidation campaign.

In addition to providing peasants with market information, county governments in Jinhua have started technical training sessions, which were attended by 290,000 peasants and village heads.

In Jinhua Prefecture, Guo said, there are 6,000 development companies and other facilities providing peasants with post and pre-production services, including processing of farm produce, transport, storage and sales.

Other economic measures being taken throughout Zhejiang include provision of preferential treatment to stimulate rural industrialization. For example, all rural food-processing factories enjoy a 50 percent cut in income tax until 1990.

More than 30,000 new township-run factories sprang up last year, bringing the province's total to 100,000. In addition, there are now 250,000 workshops and factories run by peasant households.

Rural commodity production has also been aided by the local banks, which extended 5.5 billion yuan in agricultural loans to this sector last year, a rise of 39 percent over 1983.

CSO: 4020/183

ZHEJIANG

ZHEJIANG PEASANT MARKETS BOOST RURAL ECONOMY

OW112114 Beijing XINHUA in English 1433 GMT 11 Apr 85

[Article by Cao Yinkang]

[Text] Hangzhou, April 11--Zhejiang Province's thriving peasant markets are helping to lead the way in the drive to build a rural market economy, according to provincial officials.

Such markets, now numbering 2,074 throughout rural Zhejiang, are described by officials at the Provincial Party Committee's Rural Policy Research Department as "de facto local business information centers."

One example is Qiaotou Township in Jongjia County, China's leading buttons wholesales market.

The township has a team of sales agents selected from among local peasants, who travel most of the year collecting market information while promoting sales everywhere in China.

Last year, when they heard about the craze for western suits in Shanghai, Beijing and Tianjin, they organized 80 factories to produce buttons for such suits. As a result, it took only 10 days for the factories to gear up to meet the demand.

Businesses in Qiaotou--mostly family workshops--now sell three to four million buttons a day in thousands of varieties.

Influenced by the market, officials said, nearly 100 button-making mills and more than 1,000 garment factories have been set up in nearby rural areas.

In Zhejiang, almost equally well known is Choucheng Market in Yiwu County, which specializes in small articles for daily use such as buttons, hats and clothing and attracts an annual average 20,000 salesmen in and outside the locality.

One knitting factory in the county was at a loss what to do about products worth half a million yuan when salesmen came to its rescue. They managed to get the stockpiled products to Yunnan and Guizhou in Southwest China, where there was a market.

Rabbit breeders in a district in Pingyang County set up 60 premises to buy rabbit hair, after they learnt from local salesmen about a big rise in international demand for the product.

Thousands of peasants traveled to other provinces to collect rabbit hair. Now local business turns over 400,000 yuan a day, and Shuitou District has become a national center for the product.

Last year, 2.3 billion yuan worth of business was conducted at the 2,070 rural markets throughout the province--a fifth more than in the previous year.

Each attracts a daily average of 2,000 people to sell or buy--but the largest may attract up to 10,000, officials said.

CSO: 4020/183

ZHEJIANG

BRIEFS

RECORD EARLY RICE PROCUREMENT--As of 10 September, state procurement and storage of early rice in Zhejiang Province amounted to 4.412 billion jin, which was 789 million jin more than for the same period last year. This was a new record. [Text] [Hangzhou ZHEJIANG RIBAO in Chinese 14 Sep 84 p 1] 12513

WATER CONSERVANCY UNITS--Water conservancy units in Zhejiang Province have used reservoirs and other facilities for production projects. Last year, the total output value from these projects amounted to some 110 million yuan, nearly double the 1978 record. Statistics show that approximately 500,000 mu of reservoirs and ponds belonging to the water conservancy units in the province are used for fish farming, and the total fish production is estimated at some 13 million jin annually. Some 100,000 mu of mountain land belonging to the water conservancy units is used for citrus orchards, tea plantations, bamboo groves, and lumber tree forests. [Summary] [Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 25 Feb 85 OW]

CSO: 4007/294



Comparative Development

AUTHOR: Sun Zhenyuan [1327 2182 6678]

ORG: World Politics and Economics Institute, Chinese Academy of Social Sciences

TITLE: "Evolution of World Agriculture Versus Chinese Agricultural Developmental Pattern Discussed"

SOURCE: Beijing NONGYE JINGJI WENTI [PROBLEMS OF AGRICULTURAL ECONOMICS] in Chinese No 1, 23 Jan 85 pp 55-57

ABSTRACT: With industrial growth and progress in science and technology, traditional agriculture gradually converted into modern agriculture since early in this century and especially following World War II. By increasing land output, more cereal grains can be obtained even with reduced farming areas. Thus, the traditional relationship of developed countries' relying on developing countries for food has changed as follows: the former not only supply industrial goods but also food to the latter. Most recently, independent developing countries adopted an industrialization policy to the neglect of agriculture, which relies on imports. Although socialist countries have had some agricultural development, yet their growth rate is low. China's agriculture lags behind developed countries like the United States, Japan and West Europe, but it is better than the Soviet Union and East European countries. There were three reasons for China's backward agriculture in the past: incorrect agricultural policy, backwardness in science and technology, and restricted agricultural structure in people's commune system. After the Third Plenary Session of the 11th CPC Central Committee, many of the causes of backwardness were discarded and potentialities of the countryside are mounting. With the resolution at the Third Plenary Session of the 12th CPC Central Committee, the economic structure will be innovated. Urban industries will promote specialization, commercialization and modernization of the rural economy. Before the year 2000, it will be possible to reach levels above the world average. This will contribute greatly to the new international economic order in addition to the economic program in China. We are seeing its beginning in recent cotton and corn exports from China. International cooperation and exchange are vital in China's agricultural modernization. China requires and can benefit from foreign technology and management. Advances in China's agriculture will accelerate if the domestic and international markets can be well coordinated with technology, management and data processing.

10424  
CSO: 4011/17

Flood Control

AUTHOR: Wang Guo'an [3769 0948 1344]

ORG: Exploration and Planning Design Institute, Huang He Commission

TITLE: "Flood Standards for Large Reservoir Design Explored"

SOURCE: Zhengzhou RENMIN HUANGHE [PEOPLE'S HUANG HE] in Chinese No 7, 26 Dec 84  
pp 59-63

ABSTRACT: Since the enormous flood in 1975 along the Huai He, the Ministry of Hydroelectric Power has requested flood level norms for the heaviest possible rainstorms and floods to serve as the dams design standard for large, medium- and important small-scale reservoirs. These norms are not to be lower than enormous floods assumed possible only once in 10,000 years. In the author's opinion, these norms are too high even for a once-in-10,000-year flood; based on the current calculation method, these norms are impossible to occur in nature. Therefore, the author proposes revising the norm downward from the once-in-10,000-year flood. The highest possible flood can still be adopted as the highest standard for dam protection, but this flood should not be rigidly regarded as higher than or equal to the once-in-10,000-year flood. For the medium- and important small-scale reservoirs, a further reduction from the highest possible flood is more suitable for savings in capital and for better cost effectiveness. There are five tables in the paper. Table 1 shows data on historical floods at Yichang station on the Chang Jiang. Table shows the highest historical floods and those of the same class in major rivers in China. Table 3 compares the highest historical floods and the calculated once-in-10,000-year floods in major rivers in China. Table 4 compares the calculated once-in-10,000-year flood (of 30 days' duration) at Zhongdu station on the Huai He, with the famous extremely heavy rainstorms in China. Table 5 compares peak flood flows of the highest possible flood with the once-in-10,000-year flood as design norms for China's large- and medium-scale water conservation and hydroelectric projects. One figure shows a 30-day highest flood discharge curve possibly occurring at Zhongdu station on the Huai He.

10424

CSO: 4011/12

Land Reclamation

AUTHOR: Zhao Songqiao [6392 2646 0829]

ORG: Geography Institute, Chinese Academy of Sciences

TITLE: "Geographical Distribution and Rational Exploitation of Cultivated Land Resources Discussed"

SOURCE: Beijing ZIRAN ZIYUAN [NATURAL RESOURCES] in Chinese No 1, Mar 84 pp 13-20

ABSTRACT: Amounting to some 10 percent of its land mass, China's distribution of cultivated land resources is uneven: 90 and 95 percent, respectively, of the cultivated land and population are concentrated in the eastern monsoon area, while the northwest arid area and the Qinghai-Tibet Plateau are sparsely populated with little farmland. Since 84 percent of the Chinese population are peasants, farms are oversupplied with labor, stressing mainly on flatland cultivation but neglecting forestry, herding and fisheries. Throughout the country, areas damaged by water and soil erosion total some 1-1.5 million square kilometers. That is why cultivation, protection, expansion and further exploitation of cultivated land resources are vital. Generally speaking, 700 million mu of land resources can be reclaimed; roughly 40 and 20 percent of this land lies in the northeast arid region and the northeast temperate wet region. The best potential lies in the northeast, since irrigation is required in the northwest. Formerly, mountainous areas have been neglected. Therefore, expansion of the arable area for woody plants as sources of food or edible oils together with timber forests and pasturage can fully utilize the up-to-now neglected mountainous areas. This expansion should be based on scientific study; thus, disadvantageous natural conditions and calamities can be corrected and avoided. One figure shows China's different farmland regions. Two tables show farm areas and population in China's past, and changes of farm areas and unexploited resources of reclaimable land.

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END